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LEGISLATIVE HISTORY

Public Law 117 -- 83rd Congress

Chapter 194 -- 1st Session

H. R. 5451

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DIGEST OF PUBLIC LAW 117

WHEAT: Amends the wheat-marketing quota provisions of the Agricultural Adjustment Act of 1938 as follows: Increases the minimum permissible national wheat-acreage allotment from 55 million to 62 million acres, and provides that the referendum with respect to the 1954 wheat crop may be held as late as August 15, 1953. Establishes the penalty for exceeding the farm marketing quota at 45% of the parity price per bushel as of May 1 of the crop year. Establishes a national acreage reserve, not exceeding 1% of the national allotment to be apportioned to counties in addition to the regular county allotments to relieve inequity resulting from the rise of new wheat producing areas; provides that the acreage reserve for new wheat farms of 3% of the allotted acreage be placed on a State level (previously on a county level) for greater flexibility of use; adds "the past acreage of wheat" as another factor in establishing farm wheat allotments; and limits the so-called Barden amendment protection to wheat farms acquired only from 1950 (previously 1940) by the U. S. for national-defense purposes.

INDEX AND SUMMARY OF H. R. 5451

May 28, 1953 Mr. Hope introduced H. R. 5451 which was referred to the House Committee on Agriculture. Print of bill as introduced.

June 4 and 5, 1953 Hearings before House Committee on Agriculture on H. R. 5451.

June 8, 1953 Committee reported H. R. 5451 with amendments. House Report 520. Print of bill as reported.

June 9, 1953 Committee on Rules reported Resolution H. Res. 273 for consideration of H. R. 5451. Print of Resolution as reported. House Report 525.

June 10, 1953 Summary of H. R. 5451 as reported by House Committee on Agriculture.

S. 2099 introduced by Senator Aiken and referred to Senate Committee on Agriculture and Forestry.

June 25, 1953 Passed House with amendments.

Hearings before Senate Committee on Agriculture and Forestry on S. 2099.

June 26, 1953 H. R. 5451 referred to Senate Committee on Agriculture and Forestry. Print of bill as referred.

Hearings before Senate Committee on Agriculture and Forestry on S. 2099.

July 7, 1953 S. 2099 ordered reported to full committee by Senate Agriculture and Forestry Subcommittee.

July 8, 1953 Committee deferred action on H. R. 5451.

July 9, 1953 Print of amendment intended to be proposed by Mr. Kerr and Mr. Monroney to S. 2099.

July 10, 1953 Senate Committee reported H. R. 5451 with amendments. Senate Report 520. Print of bill as reported.

July 11, 1953 Senate passed as reported.

July 13, 1953 Senate and House conferees appointed.

July 14, 1953 Both Houses agreed to conference report. House Report 786.

Approved: Public Law 117.

INDEX AND SUMMARY OF H. R. 2091

May 28, 1953	H. R. 2091 introduced in H. R. 2091 which was referred to the House Committee on Agriculture. Print of bill as introduced.
June 1 and 2, 1953	Hearings before House Committee on Agriculture on H. R. 2091.
June 8, 1953	Committee reported H. R. 2091 with amendments. House Report 250. Print of bill as reported.
June 9, 1953	Committee on Rules reported resolution H. Res. 213 for consideration of H. R. 2091. Print of Resolution as reported. House Report 251.
June 10, 1953	Summary of H. R. 2091 as reported by House Committee on Agriculture.
June 22, 1953	H. R. 2091 introduced by Senator Aiken and referred to Senate Committee on Agriculture and Forestry. Passed House with amendments.
June 26, 1953	Hearings before Senate Committee on Agriculture and Forestry on H. R. 2091. H. R. 2091 referred to Senate Committee on Agriculture and Forestry. Print of bill as referred.
July 1, 1953	Hearings before Senate Committee on Agriculture and Forestry on H. R. 2091.
July 2, 1953	H. R. 2091 ordered reported to full committee by Senate Agriculture and Forestry Subcommittee.
July 3, 1953	Committee deferred action on H. R. 2091.
July 9, 1953	Print of amendment introduced to be proposed by Mr. Kerr and Mr. Johnson to H. R. 2091.
July 10, 1953	Senate Committee reported H. R. 2091 with amendments. Senate Report 250. Print of bill as reported.
July 11, 1953	Senate passed as reported.
July 12, 1953	Senate and House conferees appointed.
July 13, 1953	Both Houses agreed to conference report. House Report 286.
	Approved: Public Law 117.

WHEAT MARKETING QUOTAS

HEARINGS BEFORE THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

EIGHTY-THIRD CONGRESS

FIRST SESSION

ON

H. R. 5451

A BILL TO AMEND THE WHEAT MARKETING QUOTA
PROVISIONS OF THE AGRICULTURAL ADJUSTMENT
ACT OF 1938, AS AMENDED, AND FOR OTHER
PURPOSES

JUNE 4 AND 5, 1953

Printed for the use of the Committee on Agriculture

Serial M



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WHEAT MARKETING QUOTAS

THURSDAY, JUNE 4, 1953

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to notice, at 10 a. m., in room 1310, New House Office Building, the Honorable Clifford R. Hope, chairman, presiding.

Present: Representatives Hope (chairman), Andresen, Hill, Hoeven, Dague, Harvey, Belcher, McIntire, Golden, Williams, King, Harrison, Cooley, Poage, Albert, Polk, and Wheeler.

Mr. ANDRESEN. The committee will come to order.

The committee will consider H. R. 5451, introduced by the chairman, who will be here shortly.

(The bill H. R. 5451 is as follows:)

[H. R. 5451, 83d Cong., 1st sess.]

A BILL To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) By striking out in paragraph (8) the language "during the ten calendar years in the case of wheat, and during the five calendar years in the case of cotton," and inserting in lieu thereof the language "during the five calendar years"; and by deleting the language "and, in the case of wheat, but not in the case of cotton for trends in yields."

(b) By striking out in paragraph (13) (A) the language "per acre of corn or wheat" and inserting in lieu thereof the language "per acre of the commodity"; by inserting in the first sentence immediately after the language "ten calendar years" the language "in the case of corn, and five calendar years in the case of wheat,"; by inserting in the first sentence immediately after the language "weather conditions and" the language "in the case of corn, but not in the case of wheat, for"; by striking out in the second sentence the language "ten calendar years" and inserting in lieu thereof the language "ten or five calendar years, as the case may be,"; and by striking out in the second sentence the language "ten years" and inserting in lieu thereof the language "ten or five years".

(c) By striking out in paragraph (13) (E) the language "and wheat, but not in the case of cotton or peanuts" and inserting in lieu thereof the language "but not in the case of cotton, wheat, or peanuts"; and striking out the language "and wheat, and five calendar years in the case of cotton or peanuts" and inserting in lieu thereof the language "and five calendar years in the case of cotton, wheat, or peanuts".

SEC. 2. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) By inserting in subsection (a) after the words "The national acreage allotment for wheat" the language " , less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection,".

(b) By adding at the end of subsection (a) a new sentence to read as follows: "The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of

counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the five calendar years immediately preceding the calendar year in which the national acreage allotment is proclaimed."

(c) By striking out in subsections (a) and (b) the word "ten" wherever it appears and inserting in lieu thereof the word "five".

(d) By inserting in subsection (b) after the words "The State acreage allotment for wheat" the language ", less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section,".

(e) By inserting in the first sentence of subsection (c) after the words "on the basis of" the language "past acreage of wheat,".

(f) By striking out in the second sentence of subsection (c) the words "such county" and inserting in lieu thereof the words "the State".

(g) By striking out in subsection (d) the figure "1940" and inserting in lieu thereof the figure "1950".

SEC. 3. Section 335 (d) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the figure "200" and inserting in lieu thereof the figure "400".

SEC. 4. Public Law 74, Seventy-seventh Congress (55 Stat. 203), as amended, is amended as follows:

(a) By striking out in the second sentence of paragraph (2) the language "50 per centum of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the Act and this resolution." and inserting in lieu thereof the language "50 per centum of the parity price per bushel of the commodity, as of August 1 and May 1, respectively, of the calendar year in which the crop is harvested.".

(b) By striking out in paragraph (7) the figure "15" wherever it appears therein and inserting in lieu thereof the figure "25".

SEC. 5. Notwithstanding any other provision of law, the national acreage allotment for the 1954 crop of wheat shall not be less than sixty-six million acres.

SEC. 6. Sections 1, 2, 3, and 4 of this Act shall become effective with respect to the 1954 and subsequent crops of wheat.

The purpose of the bill is to amend the wheat-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended; and for other purposes.

The first witness will be Mr. Howard H. Gordon, Administrator, PMA, in the Department of Agriculture.

Mr. Gordon, we will be very glad to hear you if you will take a chair there.

Mr. GORDON. Thank you, Mr. Chairman.

STATEMENT OF HOWARD H. GORDON, ADMINISTRATOR, PMA, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. GORDON. I am very happy to be here before this committee this morning, but I am going to have to be frank and say that I haven't had as much time for preparations as I should have liked, and I do have with me representatives of the Grain Branch and my executive assistant who have been working on this bill; and I will appreciate it if you will let me call on them from time to time.

The CHAIRMAN. Who is with you from the Grain Branch?

Mr. GORDON. Mr. Walker is here from the Grain Branch, and Mr. Holm, my executive assistant is here also. I would be glad if both of those would sit here with me.

The CHAIRMAN. They may bring a chair up to the table with you if they so desire.

Mr. GORDON. I have a statement here which I will read if you will permit, please, sir.

We start out with "Definitions."

1. Subsection (a) of section 1 of the bill would change the definition of "national average yield," as applied to wheat, to provide that such

national average yield shall be based on the national average yield per acre of wheat during the preceding 5 calendar years instead of 10, with adjustments only for abnormal weather conditions. This change would facilitate the determination of the national average yield on a basis which would more realistically reflect the current geographic pattern of wheat yield. It is not expected that the national average yield so determined would be appreciably different from a determination based on a 10-year period. The use of a 5-year period would eliminate the need for making adjustments for trends in yield and would be consistent with provisions of the bill for apportioning the national acreage allotment among States and counties on the basis of a 5-year period. It would also bring these determinations for wheat in line with cotton, rice, and peanuts.

2. Subsection (b) of section 1 of the bill would change the definition of "normal yield" for any county, in the case of wheat, to provide that such normal yield be determined on the basis of the average yield per acre during the preceding 5 calendar years instead of 10, with adjustments only for abnormal weather conditions. This change is considered necessary in order to more accurately reflect the productivity of the county in relation to current farming operations and to place the determination of county normal yields on a comparable basis with the determination of the national average yield. As changed, the term "normal yield" for any county, in the case of wheat, would become uniform with that already established for cotton, peanuts, and rice.

3. Subsection (c) of section 1 of the bill would change the definition of "normal yield" for any farm, as applied to wheat, to provide that such normal yield be determined on the basis of the average yield per acre during the preceding 5 calendar years instead of 10, with adjustments only for abnormal weather conditions. This change is considered necessary, even more so than for the national average yield and the county normal yield, in order to more accurately reflect the current state of productivity of the farm in relation to current farming operations and to place the determination of farm normal yield on a comparable basis with the determination of county normal yields. As changed, the term "normal yield" for any farm would become uniform for the commodities cotton, wheat, rice, and peanuts.

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

1. Subsections (a) and (b) of section 2 of the bill provide for the establishment and apportionment of a national acreage reserve not to exceed 1 percent of the national allotment. Based on past experience it has been found that there is a definite need for a reserve acreage for apportionment to counties in addition to the regular county allotments. This reserve is needed primarily because of the short history of many farms in reclamation and other new areas where the acreage of wheat has expanded rapidly in recent years. The establishment of such reserve would permit the alleviation of inequities by administrative action, which in the past has required special legislation such as Public Law 272, 81st Congress.

2. Subsection (c) of section 2 of the bill would change the base period for apportioning the national and State acreage allotments among States and counties from 10 years to 5 years. The use of a

5-year base period would be more representative of the geographic pattern of current wheat production operations. The effect of using a 5-year period would be to obtain a more equitable apportionment of the national allotment consistent with the wheat production pattern established subsequent to the period in which abnormal production shifts were induced by wartime conditions.

3. Subsections (d) and (f) of section 2 of the bill would place the acreage reserve for "new" wheat farms on a State basis. Under existing wheat legislation, the reserve for new farms is fixed at not to exceed 3 percent of the county allotment. It has been found that such county reserve is inadequate in many of the counties where the total acreage seeded to wheat is relatively small, and it is believed that a State reserve would permit more flexibility and result in fairer and more equitable new farm allotments. Enactment of the bill would result in new farm reserve acreages on a State basis for all the basic commodities except tobacco and peanuts, which are on a national basis, and corn for which there are no provisions for new farms.

4. Subsection (e) of section 2 of the bill would add "the past acreage of wheat" as an additional factor to be considered in establishing farm wheat allotments. In the administration of previous programs the past acreage of wheat has been used to reflect the factors of tillable acres, crop-rotation practices, type of soil, and topography specified in the act for establishing farm acreage allotments. However, it is considered desirable that past acreage of wheat be given specific recognition in the act, which would be comparable to the corresponding provisions applying to tobacco, rice, and peanuts.

The CHAIRMAN. Mr. Gordon, right at this point, I get a good many complaints from farmers who say that they have been following sound conservation practices, good farming practices, and carrying out what the Extension Service calls balanced farming. And they have objected because they say in the past too much consideration has been given to past acreage.

Now, in what way would this new language affect the situation that these people are complaining about?

Mr. GORDON. Well, as I understand, past acreage has been considered in the past. It has not been in the act. This would formalize it. Now that would not relieve the criticism that you suggest, of course.

The CHAIRMAN. Is it intended this factor be given any greater weight than has been the case in the past?

Mr. GORDON. It is not intended to give it any greater weight than it has been given in the past but to formalize the fact in the act itself.

The CHAIRMAN. And in giving the consideration, it would be only one factor along with several others by which the county committee would determine the allotment for any particular farm?

Mr. GORDON. That is right, sir.

Mr. ALBERT. Along that line, don't you think the county committees like to hold rigidly to the history of the farm?

The CHAIRMAN. That is one reason I am raising the question. I think that has been done in the past. And I think it is necessary to do it up to a certain point.

I just wondered if you were emphasizing it more by—

Mr. GORDON. This would not increase the emphasis on it at all. But we did feel that it should be formalized.

Mr. ANDRESEN. Mr. Chairman.

The CHAIRMAN. Mr. Andresen.

Mr. ANDRESEN. Now, as I understand the legislation, it provides that every farmer can raise up to 25 acres of wheat. Is that correct?

Mr. GORDON. Well——

Mr. ANDRESEN. Does he have to have a history of raising wheat before he can plant the 25 acres that would be permitted under the provision of this bill?

Mr. GORDON. We are getting way ahead of ourselves, Mr. Andresen. I wonder if we could wait until we get to that section.

Mr. ANDRESEN. Well, we were talking here about a history. Now, does a new farmer in wheat production have to have a history of raising wheat before he can plant the minimum amount allowed?

Mr. GORDON. Well, as the chairman just pointed out, your past history is just 1 of the 5 factors that would be considered.

The CHAIRMAN. Well, let me ask this question. Mr. Andresen is referring to a later provision in the bill which raises the limit from 15 acres to 25 acres of the acreage which would not be subject to marketing quotas.

Now, that, as I understand it, does not in any way affect acreage allotments. It makes no change in the acreage allotment provisions, so that the farmer's allotment would not be in any way affected by the 25-acre provision and his eligibility for price supports would depend upon whether or not he complied with his acreage allotments; is that correct?

Mr. GORDON. That is right, sir.

Mr. ANDRESEN. I take it then that a man would have to have a history in wheat production before he could plant his 25 acres.

Mr. GORDON. I would like to ask this gentleman, Mr. Walker, to reply specifically to that.

Mr. WALKER. Specifically your question is: Would a new wheat producer have to have a history before he could plant up to 25 acres under the marketing-quota exemption?

Mr. ANDRESEN. Yes.

Mr. WALKER. The new wheat producer does not have a history to start with; but he may produce up to that amount without any penalties under the marketing-quota provisions.

Mr. ANDRESEN. I am thinking of what is taking place in certain areas of the country where they are going out of one type of farming and they are searching around to find crops that they can plant in their area. My district happens to be a typical district, because the farmers there are going out of the dairy business and they are going into the soybean and wheat and barley and oats production—cash grains.

Now, under the old law, they would be precluded from going into these new grains if we have marketing quotas, excepting to the extent of 15 acres; and if they did not have a history on wheat production, at least within the past 50 years, they might find it exceedingly difficult to raise wheat, without a penalty.

And that is what I want to get clear.

Mr. WALKER. Even though he is a new farmer, if he does not exceed that minimum limitation for marketing quotas, he would not have any penalty; he would not be interfered with in his production and marketing.

However, he would not be eligible for price support under the price-support program unless he had an allotment and planted within that allotment, even though his acreage is below the minimum for marketing quotas.

Mr. ANDRESEN. Then he has to show a history of wheat production before he can be eligible for the price-support program.

Mr. WALKER. No. He can make application for a new farm allotment. And if he receives a new farm allotment, and plants within that allotment, he is eligible for price support.

Mr. ALBERT. But each State is limited to this 3 percent as to how much—how many allotments they have.

Mr. WALKER. That is correct.

Mr. ANDRESEN. I can visualize that if this marketing-quota law goes into operation, there may be in my State, alone, thirty or forty thousand new farmers going into wheat production.

Mr. ALBERT. You will not have enough reserve to put them all under the 3-percent State reserve.

Mr. ANDRESEN. Well, they must plant something.

Mr. ALBERT. They can plant wheat without coming under price supports.

The CHAIRMAN. Mr. McIntire.

Mr. MCINTIRE. Just to clarify this for myself on this point: Wherein does this paragraph 4—let me see whether I am in the same paragraph—of the past acreage of wheat—is that circumscribed by the preceding 5-year record of acreage or will this adjustment be provided for in subsection (e) here of section 2 (b) in addition to the historical base of 5 years under this bill?

Mr. WALKER. I hope I understand you question.

The inclusion of past history for the farmer in the determination of the farm acreage allotment would make a fifth factor to be considered. As it stands now, the factors to be considered are: the type of soil, the topography of the land, the rotation system followed on the farm, and the tillable acres.

In the past we have had to get the history of production of wheat and other crops on the farm in order that we could determine the tillable acres and the rotation system followed.

Now, some history in the past has been used in the determination of farm acreage allotments, either directly or indirectly as it had a bearing upon those four factors.

All this is just to formalize the use of history as a factor to be considered by the county committee in the determination of individual farm acreage allotment.

Mr. MCINTIRE. But all within the limitation of the historical basis. In other words, the four previous factors and now a fifth is used to determine the wheat acreage up to the acreage on the historical base.

Now, would this past acreage factor be a justification to break through the acreage established on the purely historical base?

Mr. WALKER. It might and might not. It depends upon the action of the county committee and upon the situation that they find the farm in.

For instance if the history is low due to abnormal weather conditions or something like that, certainly they would bust through that history. They would delete the low history from consideration and

determine for that farm an acreage allotment comparable to other similar farms.

On the other hand, the history might be high because of some factors. It might be the failure of some other crop, or it might be a change in the farming practice, such as going from wheat production to beef cattle production, or such as going to dairy farming—in which case he needs pasture—and the history of the farm in this case would be high.

Therefore, they might disregard that history if these facts are shown to be true and determine for the farm an acreage allotment based upon the other factors.

Mr. McINTIRE. Then the historical basis which was previously 10 years, then under this bill would be 5 years, does not form then a ceiling on this particular farm operations. These other factors might be used as a vehicle to break through the historical acreage of the operation.

Mr. WALKER. I believe I can help you out now because I am catching up with you.

The 10-year and the 5-year history that we are talking about is for purposes of apportioning the national allotment to States and to counties. Instead of going on a 10-year history, we go on a more recent 5-year history in the apportionment of the national allotment.

Now, the history we are talking about here is for the individual farm, and we are currently obtaining that history for the 1954 program—we are getting the history for the past 3 years—it isn't the 5 years or the 10 years; we get enough material and information on the farm so that the county committee will have a basis for determining for that farm an acreage allotment for the 1954 crop. And it is not connected with the 5-year base or the 10-year base.

Mr. McINTIRE. And all of these adjustments on the farm level must be kept within the county allotment which was based on the historical figure of 5 years and this is just another factor which can be considered at the farm level to determine the place of this individual farm operation within the overall quotas that is followed.

Mr. WALKER. That is correct.

The CHAIRMAN. I presume that I am correct in this theory, in the absence of some evidence to the contrary: that in case of a farm which has been growing wheat for a number of years, it would be considered that wheat growing was logically a sound farming practice.

We are giving weight to it on that theory—that the history of the farm itself demonstrates that it is a farm suitable for wheat growing.

Mr. WALKER. That is right.

Mr. GORDON. It might be helpful to point out that we have got the Nation and State on a past-acreage basis; and this simply takes it on down to the individual farm.

The CHAIRMAN. Yes.

Well, there seems to be no further questions. You may proceed, Mr. Gordon.

Mr. GORDON. 5. Subsection (g) of section 2 of the bill would limit the protection of the so-called Barden amendment to owners of wheat farms acquired in 1950 or thereafter by the United States for national defense purposes. As originally enacted on February 6, 1942, the provision extended protection to owners of wheat farms so acquired in 1940 or thereafter.

It is felt that owners whose farms were acquired by the Federal Government during the 10-year period, 1940 through 1949, have either received the benefits of the Barden amendment as originally enacted or have been able to build up sufficient wheat-producing history during such period so as to assure themselves of fair and equitable treatment when acreage allotments are in effect. Also, the administration of the provision as originally enacted would be exceedingly difficult because of the lack of adequate records of farming operations on individual farms for the years prior to 1950.

MARKETING QUOTAS

1. Section 3 of the bill would change the farm bushelage exemption from marketing quotas from 200 bushels to 400 bushels. The effect of the change would make the bushelage exemption comparable to the acreage exemption contained in section 4 (b) of the bill.

2. Section 4 (b) of the bill would change the farm acreage exemption from marketing quotas from 15 acres to 25 acres. A great majority of farmers growing 25 acres or less of wheat are following crop-rotation systems involving the use of wheat as a nurse crop in the seeding of legumes and grasses. The quantity of wheat represented by such producers is relatively small. Therefore, exempting these small producers from marketing quotas would have no significant effect on the total quantity of wheat produced for market, and would permit them to continue their normal cropping operations without being subjected to marketing penalties. The Department is concerned over the disruptions in crop rotations, land-use practices, and farming patterns caused by the imposition of production controls. At the same time, there would be no impairment of the privilege of these small farmers of obtaining price support if they choose to comply with their acreage allotments. In addition, the decrease in the number of farmers subject to marketing controls would result in considerable administrative economies.

The proposed change in the law, increasing the exemption level from marketing quotas from 15 acres or 200 bushels to 25 acres or 400 bushels, would increase the percentage of exempt wheat farms from an estimated 51.6 percent to 64.8 percent, or by 13.2 percent. On the other hand, the percentage of total acreage so affected would be increased from 9.5 percent to 16.5 percent, or only by 7 percent.

On the basis of a 5-year average acreage and production applied against the 1950 distribution of allotments, it is estimated that 12.2 percent of the production is currently exempt from marketing quotas and that under the proposed minimum this exemption would be increased to 20.5 percent.

It would be erroneous to assume that no reduction in acreage would be made by the producers so exempted. Acreage allotments would be established for farms under 25 acres regardless of the exemptions from marketing quotas. Compliance with such allotments would be prerequisite to eligibility for price support.

One effect of this change would be to offer 64.8 percent of the Nation's small wheat producers an opportunity to exercise their own initiative and judgment as to whether the benefits of price support justify the disruption to their farming program which would be caused by compliance with acreage allotments. Since only 20.5

percent of the total production is involved and past experience indicates a relatively high percentage of compliance with wheat acreage allotments, we do not believe the effectiveness of production controls would be impaired by this change. We believe the freeing of a larger group from marketing quota penalties and the resultant decrease in administrative problems make this a desirable change.

Mr. HILL. Before you go into the question, let me ask you a question on this exemption program on page 5.

The increasing exemption would go from 18.5 up to a little over 20 percent. In other words, you have 20 percent of the wheat crop not covered at all; is that correct?

Mr. GORDON. That is right. By marketing quotas, there would be acreage allotments.

Mr. HILL. But it is not covered on marketing quotas, and that is what affects the market. It is the marketing quotas that affect the market and not acreage at all. Because you can have all kinds of acreage and failure, and your market will go up.

You have made no provision for farmers feeding wheat. How do you get around that when a man feeds his own wheat. The farmer who markets his wheat on the market and the farmer who grows it for feed, you are still going to put them in the same category? I mean for feed.

Mr. WALKER. Mr. Hill, up to the 25 acres he can do as he pleases with the wheat. But if he plants more than 25 acres, he will be subject to marketing quotas. And the feeding of wheat under the law is the same as marketing wheat under the law.

Mr. HILL. That is what you rule.

Mr. WALKER. No. It has not been ruled; that is the law. The feeding of wheat is considered marketing of wheat.

Mr. HILL. Of course, that does not change my question, because what I am driving at is how that would affect the market; regardless of what the law says, if you are going to let these fellows grow 20½ percent of all the wheat in the United States and market it in any way they please, if they just keep their acreage correct, how in the world are you going to have any effect on the general marketing of wheat?

As long as you leave 20 percent free—20 percent of the bushels of wheat—could be free and above market controls; is that right?

Mr. WALKER. As it stands now, with the 15-acre exemption, 12.2 percent of the production is already exempted.

Now, all this—

Mr. HILL. What I am saying is that you are going to have 20 more.

Mr. WALKER. It just moves from 12 percent up to 20.

Now, the point that you are bringing up is: are we in a position to appraise the effects of this raising it from 12 up to 20 would have on the markets?

Well, I don't know whether anybody is in a position to really give you an answer to that; but the fact still remains that you would have 80 percent of your production of wheat, and really that is the commercial wheat, that would be under marketing quotas. Out of a normal crop that would mean about 900 million bushels of wheat would come under the marketing quotas provisions.

Mr. HILL. Let me tell you what is behind my question.

You say right in here that you are doing it for one purpose only. You are doing it to get away from the expense of administering the program. Now, if that is the reason you are doing it, what I want to know is why you are proposing it; because I frankly confess to you I do not think it will work. Because Michigan is a typical example—or Missouri—and you heard Mr. Andresen here. What are these folks going to grow? Why, you know what you are going to grow; you are going to grow wheat, as he has already told you.

Now, if you are going to do that then you come along and complicate the wheat program by saying "We will just give you more of a chance to knock the whole thing in the head."

The CHAIRMAN. Will you yield there?

Mr. HILL. Yes, sir.

The CHAIRMAN. There is nothing in this bill that is going to offer any inducements as I see it to a farmer to grow wheat that he would not have if there were no acreage allotments and no marketing quotas. This bill in itself does not stimulate the production of wheat.

All it does, this feature of it—I would say it does roughly what we have in the corn program now with commercial corn acreage and noncommercial corn acreage. Of course, we substantially have that on wheat now to the extent of 15 acres. But your question would imply that there was something in this bill which stimulated the production of wheat.

Now, I don't think there is.

Mr. HILL. Well, I did not mean to say it would stimulate it; but the natural thing for a farmer to do if he quits dairying is to go into some kind of crop production; and I know of nothing that is easier to grow than wheat. If the farmer has the land and has the climate, there is nothing easier to grow than wheat.

Mr. GORDON. I would like to point out, Mr. Hill, that I did say in here that the record of these small producers on compliance with acreage allotments is exceptionally good. And that they have kept well within their acreage allotments, generally speaking.

Now, our references here to administrative economies is just simply in passing that there could and would be some. I want to say further that the wheat advisory committee to the Secretary which met some months ago, did ask for a clear delineation of commercial wheat areas, and this proposal here would tend to accomplish that to some extent.

Mr. HILL. I frankly confess to you that I think it will do exactly the opposite. I do not think for a minute that it will do the thing you are thinking about. In other words, you are going to make it easy for a small farmer to put his acreage into wheat. There is no question about it.

Mr. GORDON. Now, the thing that does concern the Department is the possible reaction of this large body of small producers to what amounts to disfranchisement—the elimination of their eligibility to vote in connection with the referendum.

Mr. HILL. We just as well face the music, because there is no easy way to control wheat. In my own thinking, there is no possible way for us to control wheat acreage or bushels of production without really hurting some segment or some section of the wheat-growing area in the country.

The CHAIRMAN. Let me ask you this, Mr. Gordon, in connection with Mr. Hill's question:

You made a reference a while ago to the fact that there had been a high percentage of compliance with acreage allotments on the part of small wheat producers. Now, I take it that those are the small producers who market their wheat on the market and who are interested in the price-support program because they are interested in the price.

Now, there are some others perhaps who grow wheat for feed on the farm. And they are not interested too much in the price-support program, and they probably would not be affected by the question of whether or not they comply with the acreage-allotment program.

But those are not commercial producers. Their wheat does not get on the market. And is it a reasonable assumption that those who would market their wheat—and wheat would become a factor to the market—are likely to comply with the acreage allotments and that those who do not comply are in the main farmers whose wheat does not go on the market?

Mr. GORDON. I think that is a reasonable assumption.

Mr. ANDRESEN. Will the gentleman yield?

The CHAIRMAN. Yes.

Mr. ANDRESEN. Well, most wheat that is grown generally goes to the market. There is a limited amount that goes to feed. It is entirely different when you come down to corn. I know when we had the corn program up here and the allotments were made when we had control over corn and acreage that in my section at that time you were not permitted to plant enough corn to fill the silos without violating the acreage allotment.

What I am going to ask you now is going to be very, very important to a lot of people out in the areas where they are going through a revolutionary period in farm production.

Now, the news stories that have gone out have indicated that the acreage will be increased from around some 55,000,000 acres of wheat to 66,000,000. And that there would be no control over 25 acres of wheat and that the minimum acreage to allow without marketing quotas would be 15 acres, which has been increased to 25 acres.

Now, I have also understood that one reason for increasing the acreage was to eliminate the number of farmers who would vote in the referendum. By increasing it to 25 acres, that would limit it—limit the number that could vote in the referendum. Is that partially correct as I stated?

Mr. GORDON. Now, we did not write this bill, Mr. Andresen.

Mr. ANDRESEN. I thought the news stories had come from the Department. But, be that as it may, under this bill, I want to ask you one specific question. Here is a farmer who has not produced any wheat in my area since 1898. He has been producing corn and rye and barley and oats for feed to livestock. Now, he has gone out of the dairy business.

Mr. Hill suggested he ought to go into beef cattle. Well, we have too many beef cattle now. And so he is searching around for a cash crop.

Now, here is this man. He has not planted wheat for 55 years on this farm. Now, just what can he do without violating the law and securing the benefits of any support program?

Mr. WALKER. He can make application to his county committee for a new farm wheat acreage allotment. And if, upon considering

his situation, they grant him a new farm acreage allotment, and he plants within that acreage allotment, he will be eligible for price supports. If that allotment should be more than this minimum he would also not be subject to penalty under marketing quotas because he would be in compliance with the market-quota provision.

Mr. ANDRESEN. In other words, then, for a new man going into wheat production, he cannot plant the 25 acres unless he is given the farm acreage allotment from the committee? They may give him 3 acres; they may give him 5.

Mr. WALKER. And they may give him 50.

Mr. GORDON. And now he would be eligible for price supports—you want to add that.

Mr. ANDRESEN. Yes. That is what I said—to be eligible under the support program.

Mr. GORDON. Yes.

Mr. ANDRESEN. So if the county committee decides that this new farmer, if he is not given 25 acres under the allotment, he has to take what the county committee gives him in order to be eligible in the price-support program?

Mr. WALKER. That is correct.

Mr. ANDRESEN. Maybe that 25 acres does not mean much of anything in the areas like I have where they have no history; and where the 3 percent does not allow the granting of 25 acres—up to 25 acres for these new farmers; is that right?

Mr. WALKER. You are probably correct—in Minnesota.

Mr. ANDRESEN. I just want to verify it because you men are the ones who were going to administer it. So if a farmer now is planning on planting 25 acres of wheat for this fall—winter wheat—he will not be allowed to do that unless he gets that acreage allotment from the county committee?

The CHAIRMAN. That is not quite correct.

Mr. ANDRESEN. I mean to get the price support.

Mr. BELCHER. As I understand it, the gentleman from Colorado is afraid you are going to get too many acres, and the gentleman from Minnesota is afraid he is not going to get enough under this bill; is that correct?

Mr. ANDRESEN. I do not know whether he will. There is going to be an increase of about 11 million acres of wheat.

Now, is that correct under this bill? There will be an increase in acreage of this bill from 55 million up to 66 million?

Mr. WALKER. You mean in the minimum allotment for 1954? Or do you mean from the 1953 seeded acres?

The 1953 seeded acres is about 77 million.

Mr. ANDRESEN. Well, that will be cut down.

Mr. WALKER. So, it would represent a cut.

Mr. ANDRESEN. When this 77 million acres was planted.

Now, the second point I want to get straight—I am straightened out on one point. This farmer cannot expect to plant 25 acres under the support program unless the county committee allots him 25 acres.

Mr. WALKER. That is right.

Mr. ANDRESEN. Number two: Will this small farmer who is going into the business of raising wheat be eligible to vote in the referendum?

Mr. WALKER. It depends on the acreage he is going to seed for harvest in 1954.

Now, if he has an allotment—suppose this minimum were raised to 25, and he has an allotment of 25 or less. He is not eligible unless he can prove to the county committee that he is seeding more than the 25 acres. If he does show the county committee that he is going to plant more than that, he is eligible to vote even though he is in violation of the marketing quota.

Mr. ANDRESEN. Well, then, really the only thing that this bill affects is in the large historic wheat producer—that is, as far as the referendum is concerned—that he cannot be cut down in his acreage allotment below 25 acres?

Mr. WALKER. No. We are getting confused. The acreage allotment may be established below 25 acres. But if it is established below 25 acres, he has to plant within that acreage allotment in order to exercise his privilege for price support.

Now, he can plant up to 25 acres without being subject to marketing quotas.

Mr. ANDRESEN. Well, here is a man in Bill Hill's district—and I know I am stating a small amount—but he planted a hundred acres of wheat this year. And marketing quotas are voted; he gets an acreage allotment. Can he be cut down to less than 25 acres?

Mr. WALKER. It is hardly likely; but he could be cut down to less than 25 acres; if the county committee decided that he is planting on land that should not be devoted to wheat, then they can cut him below 25 acres. But if that land is suitable for the production of wheat, the farm normally would take the average cut for the county or the community.

Mr. ANDRESEN. He has been raising wheat on that land in the last 13 years.

Mr. WALKER. Then the latter part of my answer goes.

Mr. ANDRESEN. Somebody wanted me to yield.

Mr. HARVEY. Mr. Chairman.

In the statement of 25 acres or 400 bushels, does that mean that you might exceed the 25-acre allotment if your total production did not exceed 400 bushels?

Mr. WALKER. Your supposition is correct. If he plants 25 acres, he might produce more than 400 bushels; but he is still exempted from marketing quotas.

Mr. HARVEY. Suppose he plants 30 acres and still only gets 400 bushels?

Mr. WALKER. He is exempt if the normal production of the acreage planted to wheat is less than 400 bushels.

Mr. HARVEY. Well, then in my area—and we feed all the wheat that we produce—suppose, you come to my farm and say: "Now we can see that you planted more than 25 acres," and I said, "Yes, but I only produced 400 bushels and I am going to feed it all." So there is no method of cheating it over the scales to know how much I actually produced. And I insist that I only produced 400 bushels, but you think I produced 800 bushels. How are you going to handle a case of that kind?

Mr. WALKER. The moment that a check of performance finds that you are exceeding the minimum acreage allotment, then immediately you have a marketing excess. Now, the marketing excess is first determined on the basis of the normal yield established for the farm. If you can prove that your actual production was less than the

normal production of the farm acreage allotment, you are exempted from paying a penalty on the marketing excess.

If you cannot prove it, you have the penalty to pay.

Mr. ANDRESEN. Will the gentleman yield?

Mr. HARVEY. Just a minute, and I will.

Then, these folks get around—I am doing a pretty extensive hog feeding—and a lot of this wheat goes into feeding operations immediately. You get around for a checkup possibly in September and the wheat has been harvested 2 months and you come and I have only 200 bushels of wheat. How are you going to prove in that instance—

Mr. WALKER. Do you seed your wheat in the fall?

Mr. HARVEY. Yes.

Mr. WALKER. They will check that seeding in the fall. They will not wait until you harvest it; if you seed the wheat in the spring, they will check that wheat right after it is seeded. So they have checked the acreage. They know you are out of compliance. So they are beginning to service you right there.

They do not wait until you harvest it.

Mr. HARVEY. Yes, but I still have the right to produce 400 bushels of wheat, don't I; even though I may have exceeded my acreage allotment, I can produce 400 bushels of wheat without coming under penalty?

Mr. WALKER. But you have to prove that.

Mr. GORDON. The burden of proof is on the producer.

Mr. HARVEY. I think quite frankly—I am not quarreling with your theory—but I am trying to bring it down to actual practice, because I have seen some very controversial situations come out in years gone by whereby several men who did feed wheat were penalized; and I think that probably they should have been penalized all right. Except that due to the very situation that I have set forth, the penalty as finally passed was purely arbitrary. There was no justice in the penalty; I know that.

The men were penalized far beyond what they actually should have been, because of the arbitrary nature.

Now, I have a certain amount of sympathy for the administrators who are attempting to carry out the program. But in the final analysis they were just purely arbitrary. They came in and said to this fellow: We say that you exceeded your production by a thousand bushels; and we are going to penalize you accordingly. And they did.

But they really hung it on this producer. And I know they did.

And I think that in certain areas this is going to be a very controversial feature. And the reason I am dwelling on it is that I feel in view of the history of what has been going on in these areas in the past that we are going to have to have a better type of administration to provide justice for both the administration and the producer.

Mr. ANDRESEN. Will the gentleman yield.

Mr. HARVEY. Yes.

Mr. ANDRESEN. I can point out several cases in the State of Ohio—one in particular—a former Member of Congress—had a dairy farm; and I think he raised considerable poultry. And he fed all of his wheat. And he was dragged into the court but I guess they could not find any jury to convict him. But no question about violating the regulation; because he did market his wheat through his dairy

cattle and hogs and poultry. And he was taken into court. And I am not certain if they reached a decision on it; but the case was dropped, because it was not very probable in the area.

Mr. HARVEY. Well, I am not trying to hunt trouble for the administrators of this program; I do think, however, that it is well to point out that you will have this problem to deal with. And obviously it is going to be a very, very difficult case to administer if you have at all the interest in justice to consider.

The CHAIRMAN. Will you yield to the Chair?

Mr. HARVEY. Yes.

The CHAIRMAN. Of course, you have the problem of whether it is 15 acres or 25 acres, do you not?

Mr. HARVEY. Oh, yes. I would say quite freely or frankly that that would be the case in either event, regardless of what your limitation happened to be. But, it is, in any effort to administer a controlled program, a very difficult problem. And I was only, for the sake of the committee, attempting to set forth the situation, hoping that the administration will have in mind that—and recognize—that they are going to be confronted with a very difficult problem of enforcement and not have the case happen as happened previously when many of these suits were in court for not just one but for years that they dragged along. And they cluttered up our courts, and I do not think that there was ever any real admission on the part of the administrators that justice was had, even so.

A great many men escaped penalty that probably should have paid it and others were overpenalized just because they were not able to fight the case with legal counsel in the Federal court.

The CHAIRMAN. Well, I think it is a very pertinent point, and I think you presented it very well. Of course, it is more a matter of administration than it is legislation, but I think it is something that we should take into account in considering the legislation.

Mr. HARVEY. I do not know, Mr. Chairman—I do not know of anything that we can write into the law itself that will make the administration of that problem any easier. But I would like to ask Mr. Gordon whether he has any suggestion as to redrafting or amending the proposed legislation that would help the administration in that particular type—

Mr. GORDON. We do not have at this moment.

The CHAIRMAN. Mr. King.

Mr. KING. This question relates to penalties where the producer who does not want to comply with the program at all—assuming I am a vegetable farmer and I decide that vegetables are not profitable and I want to throw 200 acres into wheat, and I do not want an allotment, and I do not want Government support prices; I will take my chances of selling it as best I can to anybody who wants to use wheat; what is the penalty in that situation?

Mr. WALKER. If he does not have an allotment equivalent to the 200 acres, he is not going to be in a position to even market his wheat.

Mr. KING. You mean there is a prohibition on the part of the buyer to buy it?

Mr. WALKER. Absolutely. The buyer would be held responsible for the penalty just the same as the producer under the provisions of law.

In other words, he cannot do that and market his wheat if two-thirds of the wheat producers in this country vote that we are going to impose marketing quotas.

Mr. KING. What fundamental difference is there in creating that sort of a system and the system they are now using in Russia?

Mr. WALKER. Well, I do not know the system they are using in Russia, but I think this is the democratic way to handle it here. The farmers vote themselves to impose marketing quotas; and they can never be imposed under the law unless the farmers themselves do vote for it.

And that is two-thirds vote of all the producers who are voting that are subject to the marketing quotas.

Mr. GORDON. If you want to call it regimentation, it is at least voluntary regimentation, self-imposed.

Mr. KING. If they want to vote themselves right out of the free-enterprise system, why, that is their privilege. That is democratic, and must apply to the other one-third whether they like it or not.

The CHAIRMAN. Mr. McIntire.

Mr. McINTIRE. Do I understand correctly that there is no such thing as free wheat in this situation? There is wheat which is grown in violation, but there is no such thing as a free market which is just under the support level?

Mr. WALKER. I hope I understand your question correctly.

Mr. McINTIRE. Well, let me put it differently perhaps then.

Let's take these persons who are 25 acres or under. Let us assume that a farmer the same as Mr. Andresen was approaching this applies for a wheat allotment. He has no historical base. But by virtue of the county committee's decision, he does get 18 acres as an allotment. But he plants up to 25. Now, true, he is not eligible for support, but he is not subject to penalties, either, is he?

Mr. WALKER. That is right.

Mr. McINTIRE. What does he do with his wheat?

Mr. WALKER. He can do anything he wants with it.

He will be issued a card indicating that he is not subject to marketing quotas and he can sell his wheat anywhere he wants to.

Mr. McINTIRE. In that regard coming back to Mr. Hill's concern—and I concur with it to some extent at least—the fact that historically in a price-supported market, you somewhat fix the minimum level of the market—it is right close to the supported level—if it is 90 percent, then it is very close to the 90 percent.

Then this free wheat which is not in violation—the 25 acres or less—by virtue of circumstances is going to find the market at just slightly below the supported level, isn't it?

The incentive that might be involved in that does not concern—you feel that the advantage of the 25 outweighs the problem of the incentive for producing just under 25 without penalty, without allotments—is that going to create a volume which is going to be depressing to the program?

Do you get what I am driving at?

Mr. WALKER. Yes.

The answer, of course, would have to be in relative terms.

Mr. McINTIRE. Yes.

Mr. WALKER. The total amount of production which might be represented by all farmers who do exactly as you say would not be

significantly large. And in my opinion it would not have very much of a depressing effect upon the market.

Mr. McINTIRE. And the potential of farmers shifting within that minimum, you don't think is very large, either?

Mr. WALKER. That is right; it would not be.

See, you will find a large percentage—I do not know how high—but you will find a considerable proportion of these producers planting less than 25 acres are going to comply with their allotments, because they want price support. And those who comply would, in my estimation, offset those that might do as your example illustrates.

Mr. McINTIRE. Well, of course, it is a matter of opinion. But coming back to this reducing administrative cost by virtue of this shift from 15 to 25 acres, would either you or Mr. Gordon point out to me just how you feel that there will be a reduction of administrative cost; because I may not understand it fully; but you are going to make an allotment to those who are under 25 acres?

Then you have got to check compliance of those who are under 25 acres. Now, what is your minimum acreage to which you make an allotment?

Mr. WALKER. For 1954, since it is the first year after a break in allotments, allotments will be determined for every farm that has a history of acreage seeded during the last 3 years.

Mr. McINTIRE. Yes, but what was the minimum acreage in history?

Mr. WALKER. One acre. Small as they grow; if they have an acreage of wheat seeded.

Mr. McINTIRE. Then in the county allotment you are going to have to distribute it down to 1 acre.

Mr. WALKER. If they have that small an acreage. But after 1954, since we will have the history and will have set the pattern, it is altogether possible that the administration would say "Well, we would not establish any allotments less than 10 acres," to get the small farms off the listing sheets and not have to fool with them.

Mr. McINTIRE. But you are still going to have to check for compliance or go through the administrative procedure of making the allotments for those less than 25; you are going to have to check compliance for those less than 25; you are going to have to issue certificates for marketability for those less than 25; and in what regard do you feel that this shift will be an administrative saving?

Mr. WALKER. An observation check on a small field would indicate that it would not be 25 acres; therefore, you do not have to take a chain and measure that acreage. Measuring really costs money; but you can go down the road among these small farms, and if you find that none of them would be 25 acres, you can certify that they are not in violation of marketing quotas.

Mr. McINTIRE. Thank you.

Mr. KING. This vote that is taken on this matter, is it taken by States—the two-thirds vote that makes this program effective—is the whole country——

Mr. WALKER. The whole country; yes.

Mr. KING. So that if Kansas, Nebraska, the principal wheat sections voted, some other State may be 50 percent against it, it would still become effective on the other States?

Mr. WALKER. That is right.

If two-thirds of all the voters in the country passed it, then it would be imposed everywhere.

Mr. KING. Not two-thirds of the growers of wheat in this country are even going to have a chance to vote on it according to what you have explained in the limitation-of-voting rights.

Mr. WALKER. That is correct.

Mr. KING. The small growers count by individuals 50 percent of the total wheat growers, which is only 50 percent of the people who have a right to vote and it takes only two-thirds of them, this thing might be imposed with much less than the majority of votes.

Mr. WALKER. Only those farmers subject to marketing quotas are eligible to vote for marketing quotas.

Mr. GORDON. That has always been true.

Mr. KING. Any farmer who is not eligible who still is barred from growing wheat except strictly under the rules of the system.

Mr. GORDON. That is no different from what it has been before. It is just a difference in degree.

Mr. KING. I am not objecting to any changes that might be injected in this bill; I am just pointing out to you what that implies, generally speaking, the handling of our economy. It is the Government offering financial enticement to get a segment of our economy to vote themselves into socialism.

Mr. GORDON. I have tried to make it perfectly clear that this is not a departmental bill. We are commenting on this bill. We have not actually had time to develop a stand, Mr. Chairman, on this particular phase of the thing. We tried to do it in a staff meeting this morning in the Secretary's office, but were not successful.

We have tried to, as constructively as possible, point out the possible effects of this particular phase of the legislation.

The CHAIRMAN. There are not matters of principle or policy involved so far as this particular phase of the matter is concerned?

Mr. GORDON. Well, the only thing that really has concerned the Secretary and the staff has been the matter of reaction to—possible reaction—to disfranchisement on the part of those who are involved in this change from 15 to 25 acres.

Personally, I rather suspected a lot of them would be awfully relieved not to have to enter into referendum, but there may be individuals who will resent it. We have tried to, as constructively as we could, analyze this provision of the bill and give the basic factors involved so the committee itself can reach its determination with respect to—

Mr. COOLEY. I would like to ask you, Mr. Gordon: those that come within the provisions of the exemption will actually be the beneficiaries of the program. It will not make any contribution to the reduction of the amount of wheat that is being produced in the country. And as the support is maintained those under 25, growing under 25 acres of wheat, would benefit by the program without making any contribution at all.

Mr. ALBERT. If you will yield, you are mistaken about that, because if he plants more than his allotment he does not get the benefit of price supports; and yet he cannot vote as I understand it if his allotment is less than 25 acres without violating the marketing quota provisions and being subject to marketing penalties; is that right?

Mr. COOLEY. You are taking the case of a man who exceeds his normal acreage or his allotted acres.

Mr. ALBERT. If his allotment is 5 acres and he wants under the program he has got to plant 5 acres and no more or pay a penalty.

Mr. WALKER. No. He doesn't pay a penalty.

Mr. ALBERT. But he does not get the benefit of price supports?

Mr. WALKER. That is right.

Mr. ALBERT. But if his allotment is less than 25 acres, he cannot get price supports if he plants over that without paying a penalty; is that not right?

Mr. COOLEY. Well, is that not as it should be?

Mr. ALBERT. Yes. But you have got a man with a 15-acre allotment who wants to plant 15 acres and wants to vote. He cannot vote.

If he plants 25 acres and that is more than his allotment and the price of wheat on the market falls, he is going to have to sell it on the market for what he can get for it.

The CHAIRMAN. He is not voting on acreage allotments; he is voting on marketing quotas. No one has the right to vote on acreage allotments. So he is in the same position that everyone else is in as far as allotments are concerned.

You are talking about a man who exceeds his acreage allotment and does not get price supports. No law gives any farmer the right to vote on acreage allotments. So he is in no different position than any other farmer as far as acreage allotments are concerned.

He is not eligible for price support—if he stays within price support, he is, however.

Mr. COOLEY. There would be nothing in the law to prevent or discourage the small grower from exceeding greatly his acreage allotments and marketing quotas; is that not right?

In other words, that will hold him down, because he does not want to pay the penalty; he stays within his acreage allotment?

Mr. ALBERT. Heretofore, if a farmer had an allotment of 15 acres or more, he was entitled to vote in the national referendum; is that not right? Now he will have to have an allotment of 25 acres, or more.

Mr. WALKER. Let's correct that. It is more than 15 acres or more than 25.

Mr. ALBERT. That is right; yes. I understand that.

Now, he cannot vote if he has an allotment of 25 acres and he gets no benefits out of the program; he has got to conform to what the big growers tell him to do if he gets price supports?

Mr. COOLEY. Will you let me interrupt you for a minute there. He gets the benefit of the overall reduction which is brought about by the big grower and he himself has contributed nothing to the reduction.

Mr. GORDON. We would have to assume the program was utterly valueless to accept that theory.

Mr. ALBERT. How do you mean?

Mr. WALKER. Your market price of wheat will be higher than it otherwise would have been because the big grower has reduced the supplies.

Mr. ALBERT. I agree with that. The only point I am bringing out is that if a man has a 15-acre allotment, it seems to me that he ought to be entitled to vote. That is all.

Mr. COOLEY. If you give him his 15-acre allotment and the others want to reduce very drastically their allotments and their acreage, I don't see why he should worry about it. If he is exempt from the law, the reduction is going to be brought about by those who plant and harvest more than 25 acres of wheat. What I am saying is—while I do not like the exemption, even 15 or 25 acres, I am inclined to go along with those that know more about it than I do. I do know these exemptions are likely to get us into trouble as they did in the burley tobacco growing area. We have had trouble in our flue-cured tobacco area because of it.

Mr. ALBERT. There is nothing in the statement to indicate that he is going to get the benefit of a rising market. The opposite appears more likely. True, he may get the benefit of a rising market, but he will probably get the benefit of the market not falling too much.

Mr. COOLEY. He will get the benefit of price supports if he does not exceed his allotment.

Mr. ALBERT. Yes, he does get that.

I would like to ask one question here: In the case of those growers who plant in excess of 25 acres, and in violation of their quota or their allotments, does the acreage they plant count in the future history if they pay their penalty?

Mr. WALKER. Your question was: Does the acreage he actually plants count in the future allotments?

Mr. ALBERT. Yes.

Mr. WALKER. It does. It does only to the extent that the county committee may consider the history in the determination of his farm acreage allotment. It will contribute to the county; it will contribute to the State. And the farm itself might get direct benefit and again he might not. It depends on what the county committee does.

Mr. ALBERT. That is all.

Mr. ANDRESEN. The penalty in this bill has been changed to 50 percent of the parity price on wheat. Assuming that parity price on wheat is \$2.50 a bushel, and if a grower of wheat is subject to the penalty, he would have to pay \$1.25 a bushel penalty in addition to losing his rights under the support program. Is that correct, or am I—

Mr. WALKER. That is correct, unless he avails himself of the opportunity to store that wheat and hold it off of the market. See, he does not have to pay the penalty. He can store that wheat and hold it off the market and avoid payment of the penalty, or he can give that wheat to the Secretary. The law provides that he can give his excess wheat to the Secretary.

Mr. ANDRESEN. Would the Secretary pay him anything for it?

Mr. WALKER. No. He has to give it to him.

Mr. ANDRESEN. Well, that would be a gift then. But I can visualize the trouble that you might have in certain States. The penalty being in excess of \$1.25 a bushel on the wheat that is grown and fed to livestock. As I understand it, under existing law, the man who buys the wheat may be required to pay the penalty; is that correct?

Mr. WALKER. That is right, if the wheat is in violation.

Mr. ANDRESEN. Well, then, the elevator man who buys the wheat may have to go out and check the farmer?

Mr. WALKER. The county committee does that for him.

Mr. ANDRESEN. Well, then, do you advise all purchasers of the wheat of what each farmer, what his allotment is, and what he can sell?

Mr. WALKER. Each producer receives an instrument indicating that his wheat is free for sale. That it is not subject to penalty or marketing quotas.

He presents that—it will probably be a white card or something like that, to the elevator man; the elevator man knows he can buy that wheat without any risk.

Mr. KING. Is it true, according to your figures that only 35 percent of the wheatgrowers of the country are going to have a chance to vote on this matter—taking your 64.8 percent—that are going to be exempted with this 25-acre rule?

Mr. WALKER. That is approximately correct. It would only be those subject to marketing quotas; and that is about 35 percent.

Mr. KING. Thirty-five and two-tenths percent of the wheatgrowers of the country are only going to have a chance to vote.

Mr. GORDON. Of course, it is a great deal more than the 35 percent of the total acreage.

Mr. WALKER. I think that ought to be clarified just a bit, Mr. Hope. These percentages that are being quoted represent farms that are involved.

Now, I am a landlord, and I have got a tenant; both of us are interested in the wheat; there are two votes. And there is a pretty high percentage of our farms operated by tenants. So that does not mean that you have 35 percent of votes or 35 percent of the people that are interested in wheat and are subject to market quotas.

Mr. KING. So you are assuming that tenancy is higher on the big farms than it is on the smaller, which I doubt.

Mr. WALKER. I would not know about that.

Mr. KING. The figures would still be the same.

Mr. ANDRESEN. It was my understanding, Mr. Walker, that you voted the land rather than the number of individuals involved in ownership, or who were concerned about what is produced on that land. But, as I understand, you, both the tenant and the landlord, each cast a vote.

Mr. WALKER. That is right.

Mr. ANDRESEN. Is that the way it has been practiced?

Mr. WALKER. Yes, sir. It has always been that way. Nothing changed about that.

Mr. GORDON. I would like to point out that this thirty-some percent actually represents 83½ percent of the total acreage.

Mr. KING. Sure; but it is still a situation where, let's say the big growers can impose a system upon the small growers. This thing can be imposed upon the country by only a two-thirds vote of 35⅓ percent of the actual wheatgrowers so that this thing can be imposed upon the country with a vote of less than 25 percent of the wheatgrowers in the country.

The CHAIRMAN. What do you mean imposed? What do they impose on the small growers?

Mr. KING. Let's say they impose Government regulations for whatever it may be worth or whatever evil there may be in it.

The CHAIRMAN. They are not subject to any regulation if they have less than 25 acres. Not a thing is imposed on them.

They have something imposed on them if they have more than 25 acres. In that case, they have the right to vote.

Mr. WALKER. Mr. Hope, he is in error here when he says he has to get an allotment because he is a little fellow before he can sell. There is nothing that imposes restrictions on selling except when in violation of marketing quotas. Now, what actually is taking place: this 35 percent that you refer to is really making it possible to exempt all these little producers from the marketing quotas that they are imposing upon themselves.

Mr. KING. But only on the basis of wheat previously grown.

The CHAIRMAN. No. On the basis of wheat grown this year.

Mr. WALKER. No.

Mr. KING. You mean any new farmer can step up and grow 25 acres of wheat?

Mr. WALKER. Certainly. But he cannot get price support unless he has an allotment. But he would not be subject to marketing quotas. He can still sell his wheat.

Mr. KING. If he does not have an allotment he cannot even sell his wheat.

Mr. WALKER. That does not impose any restrictions on the selling of wheat. All he gives up is just price support.

Mr. KING. What if I am a big farmer and I have a couple of sons operating; and I transfer 25 acres apiece to my 2 sons and set them up in business, tilling the same land. You have created a couple of new farms.

Mr. WALKER. Are they on the same farm?

Mr. KING. Sure.

Mr. WALKER. Then they could not do that because that is still a part of the original allotment.

Mr. KING. He would have to go through the trouble of a title change to actually qualify as a separate farm?

Mr. WALKER. If they want to go to that trouble, they may get an allotment if they apply for it.

Mr. BELCHER. Let me see if I understand this:

In other words, the people that vote in this quota are the only people that are going to be affected by it? They do not vote anything on or off of the person that grows less than 25 acres?

Mr. WALKER. That is absolutely correct.

In other words, the restriction that is put on the people are those imposed on themselves and do not affect any other farmer.

Mr. ANDRESEN. Will the gentleman yield there?

Mr. BELCHER. Yes.

Mr. ANDRESEN. I cannot quite agree with him on that. Because those who vote, and if they vote marketing quotas, that program is imposed upon every farmer in the country who raises wheat; and if he raises more than his acreage allotment, he is subject to the penalty whether he sells his wheat or feeds it to livestock on his farm.

Mr. BELCHER. But he gets a vote on that. My point is that everybody that gets regulated gets a vote.

Mr. WALKER. Mr. Andresen, I have got to get a specific case in order to evaluate your statement. Let us assume a fellow like Mr. Albert here had a 15-acre allotment; he plants 15 acres. Now, he was not subject to marketing quotas to start with; and now he can

get price support because he did not exceed his acreage allotment. Now, he may plant 25 acres.

Mr. ANDRESEN. Did he vote?

Mr. WALKER. No, not if you raise the minimum.

If this change is made he may plant 25 acres, and marketing quota will not be imposed on him. There is no restriction on the sale of that wheat. All he gives up is the privilege of price support on his production.

Mr. ANDRESEN. If he plants 35 acres then——

Mr. WALKER. Then he is over the 25-acre allotment.

Mr. ANDRESEN. And he does not vote.

Mr. WALKER. If he can show the county committee at the time of the referendum he is going to plant 30, he can vote.

Mr. ANDRESEN. Let me ask you another question then.

Does he lose his price support only for the coverage in his planting or production, or for the whole amount that he is producing?

Mr. WALKER. For the whole amount he produces if he is in violation.

Mr. ANDRESEN. And he would be subject then to the penalties involved in that violation?

Mr. WALKER. Yes.

Mr. BELCHER. Does the penalty cover his entire production?

Mr. WALKER. The case we are examining is a fellow with an allotment of 15 acres. And now he planted 30 acres. He receives a penalty based upon the difference between 15 and 30; not 25 and 30.

Mr. BELCHER. Under the new law, it would be 25 and 30?

Mr. WALKER. Inadvertently we have got that breaking point of the current minimum there.

Let's change this. Let's say he has an allotment of 20 acres. He decides "Well, I am going to put that whole 30-acre field in. To heck with these marketing quotas."

The moment he does that, he is in violation of marketing quotas because he exceeded the 25 acres.

Now, since he is in violation, the penalty is based upon the acreage—the difference in the acreage of 20 and 30, not 25 and 30.

Mr. BELCHER. Well, the point I was raising here: a fellow we will say regardless of acreage—suppose he has an acreage allotment of 100 acres and he plants 150. Now, was he penalized on the production from 150 or the production of the difference between his 100 acres which was his allotment and the 150 that he raised?

Mr. WALKER. It is on the difference between the hundred-acre allotment and the 150 acres.

Mr. BELCHER. On the excess and not——

Mr. WALKER. That is right.

Mr. ANDRESEN. You answered me a little different than that.

You said that he would lose his support-price protection on the whole.

Mr. WALKER. That is right.

Mr. ANDRESEN. Well, then, that in itself is a penalty.

Mr. BELCHER. We are talking about the penalty provided in the bill.

Mr. ANDRESEN. Well, under the penalty provided in the bill, of course, I don't talk in terms of 100 and 150 acres of wheat like they have in Oklahoma.

Mr. BELCHER. Those are small figures, but go ahead.

Mr. ANDRESEN. We are talking about mostly here the small man who plants a small quantity of wheat who does not vote in the referendum; and it is the referendum that determines what the program will be and if the penalties are to go into operation. Is that not correct?

Mr. WALKER. That is right.

Mr. ANDRESEN. So he does not have anything to say, this small operator, about imposing the marketing quotas or imposing the penalties that follow as a result of voting the marketing quotas by the man in Oklahoma who is privileged to vote in the referendum.

Mr. WALKER. All right.

Mr. ANDRESEN. Am I getting this straight so far?

Mr. WALKER. I am with you so far.

Mr. BELCHER. But you are going to get the advantage of what the people in Oklahoma restrict their acreage to to permit you fellows to sell your wheat.

Mr. ANDRESEN. What I am leading up to is this: There are 30 or 40 percent who are eligible to vote, and if they vote marketing quotas, they can impose the penalties involved in this section or in the law against the other farmers who are not allowed to vote in the referendum.

Mr. WALKER. Only if they are in violation of that marketing quota.

Mr. ANDRESEN. Assuming they are in violation.

Mr. WALKER. They are expanding their wheat—then they are getting way above their allotment.

The CHAIRMAN. If they are in violation, they can vote.

Mr. ANDRESEN. They can't vote. But originally they do not vote in the referendum.

Mr. WALKER. That, sir——

Mr. ANDRESEN. I am speaking just about the small ones.

But if they go above their allotted acreage and raise more wheat, then, they are subject to the penalty imposed by those who vote in favor of the referendum.

Mr. WALKER. I want to be sure I got you right.

You have got a 20-acre allotment and he plants 22 acres. He is not subject to marketing quotas. But if he plants 26 he is subject to marketing quotas.

Mr. ANDRESEN. Well, he has not voted on that.

Mr. WALKER. That is right.

Mr. ANDRESEN. So then the ones who vote make it possible to impose a penalty if he violates the acreage allotment?

Mr. WALKER. He brought it on himself.

The CHAIRMAN. If he plants 26 acres he is entitled to vote?

Mr. WALKER. If he is going to plant more than 25 acres, he is entitled to vote. But if he is planting less than that——

The CHAIRMAN. In Mr. Andresen's case, this man would be entitled to vote because he planted 26 acres?

Mr. WALKER. He would be entitled to vote.

Mr. ALBERT. What if he changed his mind between the time to vote and the next spring, the time to plant his wheat. He is not entitled to vote and he also overplants.

The CHAIRMAN. Mr. Polk has a question.

Mr. POLK. Mr. Walker, as you know, this voting question is quite a problem out in Ohio. We had a lot of trouble out there when we had the acreage allotments and marketing quotas before.

I am wondering about a ease like this:

Suppose a man owns three farms, say three 100-acre farms. He farms one of the farms himself. He has a tenant renting on the shares, on grain rent, we will say, on another farm; and he has a cash renter on the third farm.

Now, suppose that the landlord himself is willing to comply with the regulations and to come under the program. Suppose the tenant on the sharecrop farm refuses to go along? He does not want to go along. You know tenants and landlords do not always agree on these things. Suppose the owner, we will say—on farm A, he owns and works that farm; while on farm B, the landlord has a share in the wheat; but the tenant is not willing to comply; he has a 30-acre field he wants to put in wheat; it would cost him three or four hundred dollars to throw a fence across that part of that field and cut it down so as to comply. And the tenant who wants to put 30 acres in wheat, insists he is going to do it. What sort of situation do you get in there? Does the landlord lose his compliance—or what is going to be the situation on a ease like that?

Mr. WALKER. The tenant operating on a cash basis has no effect at all on the landlord; because he himself is controlling what he puts out on the land.

Mr. POLK. The landlord would not have a right to vote?

Mr. WALKER. All three of them would have a right to vote—both the tenants and the landlord—if the acreage was high.

Mr. POLK. Does the landlord have a right to vote three times?

Mr. WALKER. Only once.

Now, the tenant that is on the third and fourth share as you mentioned, he is in violation, but the landlord on the farm he is operating himself is not in violation on his own farm that he is operating.

Now I do not know just what the regulations are going to prescribe; but judging from the past, I would assume that since the tenant on this third farm had absolute control over the acreage of wheat to be seeded on that farm, that overage on that farm would not make the landlord ineligible on the wheat he produced on the farm he operated himself.

Mr. POLK. A question like that could cause very serious trouble. I want you to give some thought to it.

Mr. WALKER. Now, the Solicitor here might check me on the answer to that question.

Mr. KING. Do you think the penalty might apply is one-third?

Mr. WALKER. The wheat could not be marketed until the penalty is paid. That is, the wheat on the tenant's farm could not be marketed. But the wheat on the owner-operated farm could be marketed.

Mr. WHEELER. Setting up your hypothetical allotment situation a moment ago, you said that if a farmer had an allotment of 20 acres and grew 22 acres, would not be subject to penalty but that if he grew 26 acres, he would be.

Well, now, if so long as they stay under 25 they are not subject to penalty, what is the point in issuing an allotment for less than 25?

Mr. WALKER. The law requires it in the case of price support. If he had an allotment of 20 acres, and did not plant in excess of 20 acres, he could have price support. He is not subject to penalty.

Mr. WHEELER. If he is above 25, he is?

Mr. WALKER. That brings about an adjustment on these smaller farms without subjecting them to the penalty of marketing quotas.

Mr. WHEELER. He can still go up to 25 without any penalty?

Mr. WALKER. That is right.

The CHAIRMAN. Any further questions?

(No response.)

The CHAIRMAN. You had not finished your statement, Mr. Gordon.

Mr. GORDON. Also we are just getting down to the real important part.

Section 4 (a) of the bill would provide a penalty on a farm marketing excess at a rate per bushel equal to 50 percent of the parity price per bushel of wheat as of May 1 and corn as of August 1 of the calendar year in which such crop is harvested. The rate of penalty in the act as originally enacted was 15 cents per bushel. The rate was increased by paragraph (2) of Public Law 74, 77th Congress, to 50 percent of the basic loan rate for cooperators under section 302 of the Agricultural Adjustment Act of 1938, as amended. Section 302 of the act was repealed by the Agricultural Act of 1949, but it was obviously not intended that the penalty provision should become inoperative, since this would make any marketing quota program ineffective. It is highly important that this be made clear and it is, therefore, proposed that the rate of penalty be established as 50 percent of the parity price of wheat or corn. Such rate would be comparable to the penalty rate in effect for cotton and rice.

Obviously with the price of wheat at the level it is today, 15 cents would be meaningless; and we feel it was clearly the intent to leave it at 50 percent, but it just slipped through by accident.

Mr. ANDRESEN. I see that 50 percent also affects corn. Is that a new amendment to existing law?

Mr. WALKER. It just so happens that the provision that is being amended included corn and wheat.

Mr. GORDON. It includes both.

Mr. WALKER. It included both of those commodities.

Well, corn can be left in or can be left out according to the wishes of this committee. But in drafting that since it is just one little clause in a paragraph being amended, it was drafted to include also corn.

Mr. HOEVEN. I do not quite see the objective of including corn. We are not considering corn at all in this legislation.

Mr. WALKER. Then I would agree with you it should be deleted.

Mr. BELCHER. Does the penalty apply to corn at the present time?

Mr. WALKER. If you have marketing quotas there is a penalty that would be applicable to corn.

Mr. ANDRESEN. Is that the same penalty as in the proposed amendment—50 percent of the parity price?

Mr. WALKER. It reverted back to 15 cents because of what Mr. Gordon explained happened to section 302 in the act of 1949. It was deleted but at that time it was the same penalty for corn and wheat. It was 50 percent of the loan rate.

Mr. ANDRESEN. Fifty percent of the loan rate, but not fifty percent of the parity price?

Mr. WALKER. That is right.

Mr. ANDRESEN. So it does increase the penalty for corn if this remains in the bill?

Mr. WALKER. Oh, yes.

The CHAIRMAN. If there are no further questions on that point, will you proceed, Mr. Gordon.

Mr. GORDON. I would like to read a wire which was sent by the Solicitor with respect to this penalty:

Repeal of section 302 of Agricultural Adjustment Act of 1938 which is referred to in penalty provision applicable to wheat and corn raises doubt about penalty. But we do not believe that Congress intended to change penalty by such repeal. Accordingly our view is that one-half loan rate still applicable penalty. Clarifying legislation needed and has been introduced by Congressman Hope.

KARL D. LOOS,
Solicitor, Agriculture.

The CHAIRMAN. In other words, the opinion of the Solicitor is that the penalty is still 50 percent, but that this legislation needs to be clarified?

Mr. McINTIRE. Does that change it, though, from 50 percent of the loan rate to 50 percent of the parity price?

Mr. WALKER. It does. It changes from 50 percent of the loan rate to 50 percent of the parity price.

Mr. McINTIRE. This goes beyond a simple clarification of intent of Congress by changing the basis from loan rate to parity price?

Mr. WALKER. Yes. I would say so. Sure.

The CHAIRMAN. Are there any further questions on that point? Do you have any further comments, Mr. Gordon?

Mr. GORDON. That is all.

Mr. KING. How is this penalty collected?

Mr. WALKER. We assume now that everything is agreeable, that a fellow is over 10 acres and he has a marketing excess of say a hundred bushels. When it is determined that that marketing excess exists and the amount of that marketing excess, why, he can pay his penalty on that to the county committee, the way it has been done in the past. They will issue to him a clearance for marketing all of his wheat.

Mr. KING. Who gets the 50-percent penalty?

Mr. WALKER. It goes into the United States Treasury.

Mr. ALBERT. If he refuses to pay it he would be sued for it just like any other obligation?

Mr. WALKER. That is right.

Mr. GOLDEN. What if he does not pay; what happens to him?

Mr. WALKER. Then he will be unable to sell any of his wheat until he either stores that wheat or is, as I said a moment ago, delivered to the Secretary.

Because he will be issued a card showing he is in violation, and the elevator man cannot buy it. If he does, he is subject to pay the penalty. And if the thing drags on, he will be pulled into court and sued for it.

Mr. GOLDEN. Sued for civil damages or penalty or——

Mr. WALKER. For the penalty.

Mr. GOLDEN. Could he be indicted?

Mr. WALKER. No.

Mr. ANDRESEN. He might always be prohibited from marketing any livestock or poultry where they had eaten some of this penalty wheat; is that correct?

Mr. WALKER. I could not answer that.

Mr. BAGWELL. He would not be prohibited from marketing the livestock, Mr. Andresen.

I might just add to clarify Mr. King: the law now provides that until the penalty is paid or the wheat is stored or, in the very unusual situation if the farmer should so elect, the excess is delivered to the Secretary, all wheat marketed by the farmer shall be subject to penalty; and the buyer shall collect the penalty but may deduct an amount from the purchase price equivalent to the penalty. That is the present law. This bill does not change that.

Mr. KING. What becomes of this wheat you talk about storing?

Mr. BAGWELL. Well, if the producer stores it, you see, he pays no penalty on that until he takes it out of storage. He could, of course, avoid ever paying a penalty on it by underplanting the next year and then withdrawing the storage wheat.

The CHAIRMAN. Or if he has a crop failure the second year.

Mr. BAGWELL. Exactly.

The CHAIRMAN. You may proceed, Mr. Gordon.

Mr. GORDON. Section 5 of the bill provides for a minimum national wheat acreage allotment for 1954 of 66 million acres. Without this change in the minimum the national acreage allotment for the 1954 crop would, on the basis of present indications, likely be at the minimum of 55 million acres provided under existing legislation.

The current and prospective stocks of wheat are giving the Department considerable concern. The near record crop of about 1,300 million bushels harvested in 1952 is going to result in a carryover of around 570 million bushels of July 1, 1953. A record amount of 460 million bushels of the 1952 crop has been placed under price support. In spite of this record loan activity, the market has not strengthened so as to permit appreciable quantities to flow out of the loan into the normal channels of trade, and the major portion of the July 1 carryover will be owned by the Commodity Credit Corporation.

Despite the adverse weather conditions which prevailed in the major winter wheat-producing area last fall, a total wheat production in excess of 1 billion bushels is now indicated for 1953. On the basis of foreseeable domestic and export requirements, an increase of the carryover stocks to around 630 million bushels is indicated for July 1, 1954—which would be about equal to the largest carryover of wheat ever recorded.

I would like to call attention to the difference in the 2 carryover figures: 570 million as of July 1, 1953; probable carryover, 630 million, July 1, 1954.

The CHAIRMAN. Nothing we can do about that?

Mr. GORDON. No, sir.

We realize that to enforce a full readjustment between wheat supplies and indicated market outlets in 1 year could have serious implications. Without intermediate legislation measures, the minimum of 55 million acres now prescribed in the law would be the governing factor in establishing a national acreage allotment level. This would require a reduction in 1 year of nearly 30 percent.

In the best interests of agriculture, production controls should be administered to as to avoid violent and drastic changes in the individ-

ual's farming operations and the general economy of the area in which the controlled crop is produced. The water is over the dam, however, with respect to our prospective stock position on July 1, 1954—that is the point you just made, Mr. Chairman; and we can only approach the problem of what should be done subsequently in the light of the current situation.

The proposed minimum of 66 million acres for 1954 has been rationalized on the basis of being halfway between 1953 plantings and the present minimum of 55 million acres, thereby assessing wheat producers in 1 year only 50 percent of the burden of correcting the situation they are now facing. With average yields and foreseeable disappearance, this acreage will result in no further increase in the stock position on July 1, 1955, as compared with that now indicated for 1954.

With the weakness exhibited by the wheat market in relation to the price-support level and the unprecedentedly large proportion of the carryover which it now appears will be in Government ownership as a result of our price-support commitments, the Department takes the position that it would be desirable to establish as an intermediate objective a minimum acreage of around 62 million acres for the 1954 crop of wheat.

We are not unmindful, however, of the objectives which prompted the inclusion of the figure of 66 million acres in the bill. If the committee feels that an acreage allotment of less than 66 million acres would be inconsistent with a policy of effecting orderly adjustments the Department would interpose no objections to its inclusion in the law for 1 year. However, we do wish to present these other pertinent factors for your consideration.

The CHAIRMAN. Mr. Gordon, where do you get the 62 million acres? By that I mean what is the basis of it?

Mr. HOLM. That 62 million is not pulled entirely out of the air. The 62 million on the basis of assuming normal yields and all the other theoretical things you have to take into consideration, and as we now foresee the estimated disappearance, would bring us out in 1955, with approximately the same carryover that we now foresee for July 1, 1953.

Mr. ANDRESEN. What is that carryover?

Mr. HOLM. Approximately 570 million bushels.

Mr. ANDRESEN. How much of that would be in Government ownership?

Mr. GORDON. Most of it, sir.

Our prospects look pretty good for getting around 500 million.

The CHAIRMAN. You say that the 62 million acres is based upon maintaining the carryover at the level which we will reach on July 1, 1953? I don't think it fair to say that the 66 million acres is picked out of the air either; because it would give you approximately the same supply with normal yields and the disappearance that we estimate now that we will have on July 1, 1954. This is not an effort to rationalize the thing on the basis of just cutting the difference in two. The figure of 66 million was based on the idea of not having any greater carryover in 1955 than we will have in 1954.

Mr. GORDON. We understand that, sir.

Mr. HOLM. And the 62 million would result in an adjustment of the carryover in 1955 back to the 1953 level, rather than the 66 million maintained theoretically at the 1954 level.

The CHAIRMAN. Well, I am glad to have those two figures before the committee, because they give the committee something to go on in determining where the minimum acreage should be.

Are there any further questions?

Mr. Andresen.

Mr. ANDRESEN. Is there any deadline that is necessary on the passage of this legislation as to make it effective for the next crop year? Do you have to make any announcement now shortly as to whether or not you will have referendum on marketing quotas?

Mr. GORDON. July 1.

Mr. ANDRESEN. And in that announcement, you take into consideration existing law or will it be necessary to have this bill passed and enacted into law before July 1?

Mr. GORDON. Well, there are a good many features of the bill that are extremely desirable for effective administration of the program. And then of course if you are going to change these two features, your eligibility and your acreage, that will have to be done prior to the referendum.

The CHAIRMAN. In other words, it is very important if this legislation is to be enacted that it be done at the earliest possible date?

Mr. GORDON. That is right, sir.

Mr. ANDRESEN. It would have to be done before July 1 because that is the deadline as I understand it on the announcement.

Mr. HOLM. Mr. Andresen, the July 1 date is the deadline by which the Secretary must make the announcement with respect to whether or not marketing quotas are going to be in existence. He is also required then if they are to be in existence to conduct a referendum by July 25. Prior to that date there should be in the hands of every producer a notice of what his acreage allotment is going to be.

I think you can readily appreciate that the basis on which those acreage allotments will be made, both insofar as distribution of a national acreage allotment to the State and county and consequently to the individual farmer—there are very vital portions of this bill that are applicable to them and the administrative work involved in complying with the law and giving the farmer an acreage-allotment notice prior to the referendum is tremendous.

Mr. ANDRESEN. Is there any preliminary work now being done through the county committees to establish the acreage allotment?

Mr. HOLM. Yes, sir.

Mr. ALBERT. Does the Department have any attitude on how big the carryover should be?

Mr. GORDON. Well, we have been inclined to stay a little clear of that.

Mr. ALBERT. You do not think 500 million is a disastrous carry-over?

Mr. GORDON. Well, that would depend entirely on a good many conditions. Your weather conditions——

Mr. ALBERT. I mean for a normal carryover?

Mr. HARRISON. They are not a figure that is set by law beyond which we must invoke the acreage allotment?

Mr. GORDON. Acreage allotments are not involved on the basis of carryover. They are mandatory each year by law. Marketing quotas, however, are invoked only when the total supply exceeds normal supply by more than 20 percent.

Mr. ALBERT. That only involves the necessity of imposing quotas, does it not—the figures set by law?

Mr. GORDON. Yes, sir.

Mr. HARRISON. What is that figure?

Mr. WALKER. It is 120 percent of normal supply.

Mr. HILL. What is the normal supply?

Mr. WALKER. Normal supply is domestic consumption and exports plus 15 percent as a reserve for carryover.

Mr. HOEVEN. What has been the carryover figure—in round figures?

Mr. WALKER. Assuming domestic consumption at 715 million bushels and exports at, say, 300 million bushels would give you about 1,015 million bushels. Now 15 percent of that would give you about 152 million. That would be 1,167 million bushels as the normal supply.

Mr. ANDRESEN. Are you taking into consideration the increase in population since that formula was written?

Mr. WALKER. Yes, sir.

Mr. ANDRESEN. That for many, many years here we have figured around 700 million bushels for domestic consumption.

Mr. WALKER. And that is still the amount.

Mr. ANDRESEN. And still we have about 50 million people more in the country.

Mr. WALKER. That is right. The per capita consumption of wheat has gone down as fast as the population increased.

Mr. HOEVEN. What is the normal carryover in bushels?

Mr. WALKER. The normal carryover—now what do you mean?—with respect to history or with respect to that normal supply definition?

Mr. HOEVEN. The normal carryover, say, during the past 10 years.

Mr. WALKER. History would be something like 225 million bushels.

Mr. COOLEY. You mean you have a carryover now that is more than twice the size of normal then?

Mr. WALKER. Oh, yes, sure.

Mr. HARRISON. Let me ask one more question. What is the carryover in numbers of bushels that makes it necessary that we put into effect the law to have acreage allotments? We have 570 millions as of July 1, 1953; so I take it from that that it is necessary for us to invoke the law?

Mr. WALKER. On marketing quotas.

Mr. HARRISON. And how many bushels could we have and not have to invoke the law?

Mr. WALKER. I do not have those figures; but it would be 120 percent of—1,167 million.

Mr. HARRISON. It is my understanding that we are pretty close to that figure. The 570 million does not exceed the amount to any great extent?

Mr. WALKER. We will get the figure.

Mr. HOLM. Your question, Mr. Harrison was——

Mr. HARRISON. My question was, What would be the carryover that we could have and still not have to invoke the law of marketing quotas?

We now have 570 million bushels; and it is my understanding that according to law that we are going to have to invoke the law—we are going to have to invoke the marketing quotas.

Mr. HOLM. The marketing quota level, Mr. Harrison, would be approximately 1,435 million total supply.

Mr. HARRISON. Well, I am not getting the figure that I am looking for.

I want the carryover that we could have and still not have to invoke the law of marketing quotas.

Mr. HOLM. Well, of course, the marketing quota level is arrived at on the basis of the total supply of which the carryover is only a part.

Mr. WALKER. The answer to your question would be about 268 million bushels above the normal supply.

The CHAIRMAN. That includes 268 bushels as the carryover.

Mr. WALKER. Over and above the normal supply.

I understood his question was how much could we have over and above normal supply before the imposition of marketing quotas. That is about 268 to 270 million bushels.

Mr. HARRISON. That is it; but I didn't get it in round figures. I wondered whether it was 500 million bushels that we could have and still not have to, according to the law, put into effect the marketing quotas.

If we had 400 million bushels of the carryover it would not be necessary to put into effect the marketing quotas today; isn't that right? But since it is 570 million bushels, it is necessary that we put into effect marketing quotas.

Mr. SCHOONOVER. Well, normal supply is 15 percent of consumption and exports. Now, if you assume that in round figures, to be 1 billion bushels, then you go 20 percent above normal. That is approximately 267 million—somewhere about that. You add the two together and it gives you about 416 million on the basis of the present supply situation.

Mr. HARRISON. That is what I wanted.

The CHAIRMAN. Are there any further questions?

Mr. McINTIRE. Just one short question. I think the answer may be "yes" or "no." But the legislation proposed does not affect one way or the other the regulation or the rule by which you determine whether or not quotas shall be put into effect on the 1954 crop?

Mr. WALKER. No, sir, it does not.

Mr. McINTIRE. This is simply administrative legislation and does not preclude getting the 1954 crop out of—it does not affect that rule at all.

(Discussion off the record.)

The CHAIRMAN. We thank you, Mr. Gordon, and your associates in the Department also, for appearing before the committee. This has taken longer than we anticipated.

We have three other witnesses on the list whom we have not heard. I would like to ask Mr. Patton, Dr. Sanders, and Mr. Bell if they can be here tomorrow.

(Assent indicated.)

The CHAIRMAN. Then we will adjourn until 10 o'clock tomorrow morning at which time we will hear the other witnesses.

(Whereupon, at 12:10 p. m., the committee adjourned to reconvene at 10 a. m., June 5, 1953.)

WHEAT MARKETING QUOTAS

FRIDAY, JUNE 5, 1953

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to adjournment, at 10 a. m., in room 1310, New House Office Building, the Honorable Clifford R. Hope, presiding.

Present: Representatives Hope (chairman), Andresen, Hill, Hocven, Harvey, Belcher, Golden, Poage, McMillan, Abernethy, Polk, Wheeler, and Thompson.

The CHAIRMAN. The committee will come to order. The committee has met this morning for the further consideration of bill H. R. 5451. The first witness on the list is Mr. James G. Patton, president of the National Farmers Union. Will you come forward at this time, Mr. Patton? I am sorry we do not have any more members here, but they will be coming in. The House is meeting at 11 o'clock, so we must get started if we are going to conclude.

You may proceed, Mr. Patton.

STATEMENT OF JAMES G. PATTON, PRESIDENT, NATIONAL FARMERS UNION

Mr. PATTON. Mr. Chairman and members of the committee, for the record, my name is James G. Patton, president of the National Farmers Union. I live in Denver, Colo. Mr. Chairman, I appear in support of H. R. 5451. In my opinion the provisions of this bill are the minimum that we should do immediately to revise wheat-acreage allotment and marketing-quota legislation in the interest of national security.

Wheat is a universal food grain. It is truly the staff of life. To the people of the world it has very great symbolic as well as nutritional value. In considering, Mr. Chairman, the proposed legislation before you today, your committee is operating in the area of the solar plexus of the free world. By approving this bill or similar legislation, to provide for the accumulation and maintenance of an adequate safety reserve of wheat, you will be putting up an effective guard against paralyzing blows that might at any moment be aimed at the bread baskets of the nations that are fighting to stay free of totalitarian Communist tyranny.

I need not tell the members of this committee—you already know—that the imperialistic design of the totalitarian masters of the Soviet Union is to destroy our homes, our farms, and our factories and to fasten slavery upon the people and those of all nations not already under their rule.

Obviously we do not want this to happen. To prevent it, we must realistically understand that the methods of Russian rulers are psychological and economic as well as military. We must understand, and take into account, the fact that they attempt to exploit fully every instance of hunger, and fear of hunger, throughout the world. As important as are the ordinary economic and domestic reasons for maintaining an adequate safety reserve of wheat, they are, in my opinion, overshadowed by the importance of food in the international political and psychological struggle. Dealing with wheat production and reserve supply policies you are dealing with national security policies just as surely as if you were considering appropriations for the Military Establishment.

To take this factor adequately into account in my opinion means that we should provide for the development and maintenance of safety reserves of wheat and feed grains somewhat above normal safety reserve requirements. We should establish a special reserve that will be available to meet unforeseen contingencies that may arise in connection with the cold war. I do not want to appear to be an alarmist. But no mature sober consideration of world conditions can proceed without some recognition of repeated occurrences such as, to mention a few, the threatened invasion of Thailand, a rice exporting nation; the threatened withdrawal of South Korean troops from the front lines; or the possibility of crop failure in Japan or France. I do not predict any of these nor the certainty of any other such calamity. I hope they do not happen. But it would be most unwise, I believe, if we fail to make provision against such possibilities, even though they may not be immediate probabilities.

A staff study made for the Senate Agriculture Committee and published as Document No. 130 of the 82d Congress and a similar study made by Dr. Murray Benedict for the agriculture committee of the National Planning Association are agreed that reserves of 450 to 500 million bushels of wheat and 900 million to a billion bushels of corn would be required to offset year-to-year variations in yields. This would be required to make ordinary prudent provision for normal safety reserves. These estimates do not include provision for the extraordinary needs that may arise at any time from the unsettled world situation. Assuming these figures to be correct, and I consider them to be so, they mean that for the Nation to be definitely certain that the free world will not be caught dangerously short of grain; the United States should maintain a safety reserve somewhat larger than the normal safety reserve requirements I have just enumerated.

However, existing legislation does not allow for, nor encourage, the production and maintenance of safety reserves at anywhere near this level. Under existing legislation, if marketing quotas for wheat are proclaimed, the national acreage allotment must be set at an acreage that, with average yields, the reserve supply will be reduced to approximately 330 million bushels, more than 200 million bushels short of even normal safety requirements. Existing legislation also requires a cut in corn acreage to that required to reduce total corn supply to an unrealistically low supply level, in the event that corn-marketing quotas should be proclaimed.

Such drastic cuts in wheat and corn acreages would result in a most inefficient use of farm resources and would lay the Nation open to the danger of future shortages in food and feed grains such as that

which developed in 1951 in the case of cotton, after marketing quotas were in effect in 1950.

My own feeling is that the Secretary of Agriculture should not proclaim either marketing quotas or acreage allotments for wheat or corn to be harvested in 1954. I do not believe that would be a wise action at this juncture of the cold war. We cannot perceive with sufficient clarity what abnormal demands may be placed upon our grain supply within the next 12 to 14 months. Moreover, this Nation should not in my opinion willingly give its detractors the opportunity to say that the United States is deliberately cutting down on food production at a time when there are so many hungry people in the world. From this standpoint alone, if no other, there is sufficient justification, I think, to use the emergency provisions of the defense production law and not proclaim great wheat acreage cuts at any point short of a superabundance commensurate with our domestic and international requirements.

However, I realize that the Secretary of Agriculture may have reason to view the implications of this situation somewhat differently and find that in good conscience he cannot utilize the emergency provisions. He may, therefore, proclaim marketing quotas for wheat and call for a referendum vote of the producers, on whether or not quotas should go into effect.

The alternatives that would in that event be put up to farmers would be this, in my opinion: They could vote down quotas, thus accepting a wheat price support of 50 percent of parity—about \$1.20 per bushel; or they could vote for quotas that call for a very heavy cut in acreage, for a drastic reduction in the Nation's safety reserve of food grains, but with the assurance of a 90 percent of parity support price.

Farmers know that they cannot produce wheat at \$1.20 per bushel; they also know that to cut acreage by the extent required by present law would be to take an unnecessary risk with national security. Mr. Chairman, I say to you, wheat producers should not be required to make a choice between such undesirable alternatives. Even more importantly, the Nation cannot, in wisdom and safety, afford to risk the results of requiring farmers to adopt either of these alternatives. Enactment of the proposed legislation before you, H. R. 5451, would, for the wheat to be harvested in 1954, allow farmers to vote for quotas without such drastic reductions in their acreages and without subjecting the Nation to such a grave risk to national welfare and security as would be involved in an attempt to reduce the wheat reserve to 330 million bushels.

Mr. Chairman, I respectfully urge enactment and approval of the provisions of H. R. 5451 prior to July 1 of this year, the date on which the question of marketing quotas for wheat must be finally decided. Moreover, I hope and respectfully urge that Congress add additional provisions to this bill consistent with its intent on its way through the legislative process. Specifically it would, in my opinion, be wise at this time to revise the definitions of normal supply of wheat and corn to provide for larger carryover allowances and to establish a special contingency reserve for protection against unusual needs that may arise in connection with the troubled international situation.

In this regard I support the principles of the resolution introduced by Senators Mundt, Carlson, Young, Langer, Schoeppke, Welker, and Thyne which would raise the carryover allowance in the normal

supply of wheat from 15 percent of domestic consumption and exports to 30 percent and for corn, from 10 percent to 20 percent, while leaving the allowance for excess to remain at 20 percent of normal supply. I also support the principles of other legislative proposals on the Senate side that arrive at about the same result by raising the carryover allowance in normal supply of wheat to 45 percent, and of corn to 30 percent, while reducing the excess allowance to 5 percent.

In connection with this proposed legislation I want also to endorse the general idea of establishing a special Presidential contingency reserve in Commodity Credit Corporation. Here would be set aside, up to an amount equal to 20 percent of domestic consumption and exports, any wheat in the total supply that is above 125 percent of domestic consumption plus exports. The wheat in this contingency reserve would be insulated from the normal market by safeguards that will prevent its sale or dispersal until the total supply of wheat or corn has dropped to less than 75 percent of normal supply, or at such times as the President may determine that wheat to meet national security or foreign policy needs is not otherwise available. This contingency reserve would also be available to serve as the United States contribution to whatever international food or famine reserve the free nations may in the future establish.

Setting up this Presidential contingency reserve would insure that this stored grain would not have any disturbing or burdening effect upon the regular grain markets. Moreover, and just as importantly, the establishment of specially earmarked grain reserve would have the added advantage of announcing to the world that, as a nation, the United States does specifically recognize the importance of food for emergencies and that we have made direct provisions to do our part to provide for the food safety of the free world.

In my considered opinion, Mr. Chairman, this Nation should, as a conscious policy, develop and maintain a total wheat reserve greater than 500 million bushels and a total corn and feed grains reserve of greater than the equivalent of 900 million or a billion bushels of corn. Since the bill before you is not inconsistent with that goal and is in fact a step toward it, I respectfully urge your favorable consideration of H. R. 5451.

The CHAIRMAN. Are there any questions? Mr. Hill.

Mr. HILL. Mr. Patton, you made a fine statement. What you have mentioned here is absolutely the thing I had in mind, when you talk about a Presidential contingency reserve. By taking that out of the market, it would not be hanging over the market at all. Here is what I have had in my mind, and I mentioned it to the chairman. I think we can do it; I think we can do anything with wheat that we wish to, because wheat is a crop we never did have enough of in the world.

I am wondering if we could not propose—maybe not in this legislation, but certainly the way you have mentioned on the last page—a free pool of wheat. This free pool of wheat would be free for nations. You said food for famine reserve, but I do not think we need to wait until people are starving to death to have a free pool.

Mr. PATTON. I do not think we should, either.

Mr. HILL. You talk about a two-price system, domestic, and I think that is going to be true. Then we have to have a foreign price

of wheat, maybe wheat we want to sell as an export. Then in addition to that we could have a free pool of wheat which would go into reservoirs for storage, and Canada could participate, or any other nation—Australia—a certain number of bushels where they have excesses. That free pool could be handled by this Presidential contingency reserve organization, and they could say where the free wheat was going.

I think the Lord has more to do with this than you and I, because you and I have seen in the plains of Colorado where they did not have anything to eat and any food at all, and they come along with wonderful machinery and get 40 bushels of wheat to the acre. Should we penalize the farmer or penalize those who plant that crop because we have this large amount of wheat, or should we provide this storage where we have a free pool of wheat? What do you think of that?

Mr. PATTON. Mr. Chairman, if I may comment, I would like to express my appreciation to my friend, the Congressman from Colorado who has been an agricultural statesman for a long time. I feel that way very strongly. First, that as the leader of the free world, we cannot possibly take the risk of telling hungry people whom we hope to attract to our faith that we are going to practice scarcity for scarcity's sake. I think secondly, I have been a supporter of the idea of trade and have supported reciprocal trade and such things as that. But until we institutionalize some of our international trade movements in terms of devices such as you suggest and possibly an international commodity clearinghouse, such as was up before for consideration—institutions which will be able to provide the means of adequate distribution, whether it is for hungry people or whether it is for freeing up a currency situation—we will not fully achieve it.

I endorse the idea, Mr. Hill, that you have proposed in that framework.

Mr. HILL. The thing I had in mind was this. This free pool of wheat would be completely outside of the normal trade performances, shall I say, or the carrying out of the wheat business. When once 10 percent of the crop of wheat was placed into the free pool, it could not be sold and would go to the poor people. Now, we do strange things. We have a disaster somewhere in some country and we all donate and give money and clothes, and that is a fine thing, and we do it. I mean, we actually perform the service.

Do you mean to tell me we could not plan an organization, worldwide, that would take this free wheat, that will give us a chance to produce it, put it in this free pool; and then when hungry people come along, all they have to do is make an application, the investigation will be made, and the wheat could be delivered? Everyone in the world knows how to use wheat. If we said sweetpotatoes, that is wonderful, too; but then we would have to send a whole group of folks in to these areas and teach them how to use sweetpotatoes.

That is a true statement. I mentioned sweetpotatoes because they are a wonderful food. But who is going to do that? I will tell you—no one. But when it comes to wheat, no nation in the world fails to know, poor or not, how to use wheat as a food.

Mr. GOLDEN. Will the gentleman yield?

Mr. HILL. I just throw that idea out. I am through.

The CHAIRMAN. The gentleman from Kentucky.

Mr. GOLDEN. I am just wondering if Mr. Hill heard the President speak the other night and talk about the famine in Pakistan?

Mr. HILL. You would not expect a Republican who was sitting at home with a television set not to listen to the President.

Mr. GOLDEN. He said that that nation needed a million tons of wheat. They do not have any food now at all, and if that need is met, from such a suggestion as you have, we will have to meet it ourselves—one nation. While to carry on the suggestion that you two men have been discussing, we may get some help from Canada and Australia and other producing nations.

Mr. HILL. I might say, Mr. Golden, in addition to that I had something in my mind far deeper than just one people. What I had in mind was, we might be short on wheat but we could take care of our folks at home; and in that same season perhaps Australia might have so much wheat they did not know what to do with it. If you have a free pool, we would not need any of that but we can supply ourselves. Then Australia, being the country that has the most wheat in the free pool, could supply Pakistan. In other words, we are looking ahead. I know we can do it as far as I am concerned. We do a lot of other things really harder than this.

Mr. POAGE. I certainly do not want to sound any discordant note here, but I wanted to ask you about the same thing Mr. Hill has asked you about. I want to suggest, of course, that I sympathize with the objectives that both you gentlemen have suggested. Maybe I am not just as optimistic as some other people. How are you going to keep this wheat from becoming a weight on the market that depresses the price of all wheat? That thing has never been answered to my satisfaction by any of these plans for taking commodities off of the market. I have observed all my life, particularly with cotton, that it does not make a bit of difference in the world where the cotton is nor what the law says about it; the merchants know where every bale of cotton in the world is. If there is a bale there, they add it to the visible surplus and depress the price by exactly that percentage. They do the same thing with wheat.

How do you keep it from becoming a burden on the market and depressing the price? That is what I am interested in.

Mr. PATTON. It is my own opinion, Mr. Poage, that had our Government and the other governments of the world adopted the international commodity clearinghouse idea, which all of the farm organizations in this country approved and which was approved by the International Federation of Agricultural Producers with representatives from 38 countries, we would have met that because of the fact that I do not think the free pool would be very large at any time if you had an institutional device for getting that food, that wheat, to the people who need it.

Sir John Orr, who used to be head of the FAO, wrote me a letter recently. He has been spending a lot of time in Pakistan and India and the Far East, and he said it was his estimate that the food supply in all of the underdeveloped areas of the world was 10 percent less than it was before World War II. My point is, Mr. Poage, if we had the institutional devices for seeking out and dealing with the problems of hunger and malnutrition and so on that we would not have a very large pool in the first place; and secondly, if it were institutionalized in such an agency as the international commodity clearinghouse, those

who deal in the so-called free market and attempt to use it as a depressing factor would be on notice it would not be available for the market.

Mr. POAGE. We have been on notice several times in the past. My experience is more with cotton than it is with wheat, but I know the same principle applies. We have what we call frozen a lot of cotton in the past. It never did take it off of the calculations of the cotton merchants. They counted it just the same as they counted any bales of cotton; they knew it was there; they knew it could be turned loose. We have said in the past sometimes that it could not be turned loose without an act of Congress. You suggest here that you let the President turn it loose whenever he sees fit.

The minute you do that, it is not going to be 5-percenters it will be 25-percenters that are going to be down here camping out at the front gate of the White House. I am not talking about President Eisenhower. I am talking about government, regardless of who is President of the United States. I am saying that the minute you put in the hands of any one man the power to make great fortunes by turning something loose, that there is going to be plenty of people in the United States who can find reasons why it ought to be turned loose; or vice versa, why it should be held.

Whenever you place in the hands of an individual the power to make the decision as to the market, which all the people make under the normal process of things, it seems to me you have a terribly dangerous situation and one that can completely upset things any day when some individual makes an unfortunate decision. I am not talking about necessarily corrupt decisions, but individuals are certain to make mistakes. I think you create a very dangerous thing when you put the power to break these markets in the hands of one man. You do have it; do you not? You will agree that if you had even 125 million bushels of wheat stored up in one of these pools and telling everybody it was not going to be sold, and then one day the President decides that conditions are such that it ought to move, would that not break the market?

Mr. PATTON. You see, Mr. Poage, so far as my own conviction and the position of my organization are concerned, it could not break the market very well if the proposals we have made were adopted. We believe that we ought to have 100-percent parity support prices. We believe that is a fair price.

The CHAIRMAN. The Chair has no desire to cut short this discussion, but we have three other witnesses and the House convenes at 11 o'clock. We will have before this committee quite soon a bill for relief to Pakistan, at which time the discussion that is now going on will be more appropriate.

Mr. HOEVEN. Mr. Chairman, may I just ask one question for the purpose of the record? I am not quite clear in my mind as to this proposed pool. Who would pay the farmer for the wheat that goes into the pool? Would he donate it or would the Government pay him for it?

Mr. PATTON. As a matter of policy, I think that this is a part of a total foreign policy, and I do not think that any group, whether it is manufacturers or farmers or anyone else, should be asked to carry the responsibility for everybody for a part of our foreign policy. That is the way I look upon it. Therefore I would say if any went into the pool, the farmer would be paid for it, just the same—as I

read in Business Week, at least—as we pile up some \$4 billion worth of lead and tin. According to one story I read, they paid a little above the market to accumulate it as a matter of public policy, as a matter of national security.

I view food as equally important because I feel very deeply that the gains made by our opponents—those who would destroy the free world—have been gained on false representations to empty stomachs, sort of an empty stomach communism that has permitted them to go along. But I feel the farmer should not be asked to give the wheat to the pool.

Mr. HOEVEN. Then you mean the Government should pay the farmer?

Mr. PATTON. That is right; yes, sir.

Mr. McMILLAN. Would each government pay for its own, or would the United States Government pay for all of it?

Mr. PATTON. Personally we felt under the International Commodity Clearing House proposal that a unit set up by the various governments would pay for it, and then the governments would be responsible in proportion to what they took out and put in.

Mr. McMILLAN. I was hoping that if Australia produced the most wheat, the United States Government would not have to pay for it, too.

The CHAIRMAN. We thank you very much, Mr. Patton, for your appearance and your statement before the committee. The next witness will be J. T. Sanders, representing the National Grange.

STATEMENT OF J. T. SANDERS, LEGISLATIVE COUNSEL, THE NATIONAL GRANGE

Mr. SANDERS. Mr. Chairman and members of the committee, I have a brief statement here which I shall read.

1. The National Grange is favorable to the provisions of H. R. 5451. It provides adjustments in the current law which will be badly needed if acreage controls and marketing quotas are imposed on the 1954 wheat crop, which now appears probable.

2. Over the past period of history of restrictive farm laws, the National Grange has been opposed to placing complete or even major dependence on control of production as a means of raising farm prices and handling the surplus portions of crops. We are still opposed in general to such methods of price support and feel that new measures can and should be worked out that will support prices without such problems arising, as are dealt with in H. R. 5451. Nevertheless such improved laws are not now on the statute books; and, under current conditions of production and laws, we are almost certain to be required under the law to impose production restrictions on wheat next year. Present situations in wheat production cannot be handled in the best interests of farmers and the Nation with the law as at present written. Under these conditions it is necessary for us to support the amendments to the 1938 Agricultural Adjustment Act, provided for in H. R. 5451.

3. This bill will give a greater flexibility of controls and an adjustment in production more favorable to those areas most adapted to economically sound wheat production. This flexibility is highly desirable in any system of control of agricultural production.

4. In the past 12 to 15 years of war and cold-war conditions there have been marked shifts of wheat production with greater and greater production going to areas best adapted to wheat production. Under these conditions a 10-year average acreage and yield would not reflect accurately current situations and trends. H. R. 5411 corrects, at least in part, this difficulty by changing the current law requirement of a 10-year average as a base to base of a 5-year average. This will certainly reflect current trends more accurately, except in the case of abnormal yields due to the vagaries of nature. The bill provides for adjustments in case of such abnormal yields.

5. Another desirable change which the bill provides is that of shifting the 3-percent reserve from a county to a State's allocation, and providing an additional 1 percent national reserve. Reserves, or setasides, also add to flexibility of controls. Hardship cases in allotments and quotas are bound to arise as between individuals, as between counties, and States. The additional 1 percent reserve for the Nation will help correct maladjustments between States, and lifting the 3-percent reserve from the county to the State level will provide a more equitable adjustment between counties, which in turn will be reflected to an equitable adjustment to the individual farmer. Such increased flexibility is to our way of thinking highly important in the institution of any scheme of production control.

6. We agree also with the provision raising the marketing quota exemption from a 200 to a 400 maximum bushelage exemption, and from a 15 to a 25 acre maximum exemption. This will greatly simplify and reduce the task of administration and will have relatively little effect on increasing the total production of wheat. Acreages of wheat of less than 25 acres are usually grown as part of a rotation system, and exemption of these farms from market quotas will not interfere with their normal cropping rotation, which is a desirable thing to avoid doing.

7. Finally, we agree with the provision raising the total national allotment from 55 to 66 million acres. We doubt that it would be wise, from the standpoint of national security, to make a cut of 30 percent of wheat acreage as is required under the present law if acreage and market quotas are imposed. This provision would reduce the imposed cut to around 15 percent, which we believe is a wise thing to do under present world conditions of a cereal shortage in the world as is evidenced by high prices of rice and our virtual embargo against exports thereof, and in view of the absolute necessity of our maintenance of expanded foreign markets for American wheat.

8. To summarize the position of the National Grange on H. R. 5451, we would say that, although we would prefer not to find it necessary to have to support such ameliorating provisions of a program of restriction, but since we find it necessary to live with such a law for the time being, we are certainly in favor of introducing the desired flexibility and adjustments which are carried in the currently considered law.

The CHAIRMAN. We thank you very much, Mr. Sanders. Are there any questions?

Mr. ANDRESEN. In paragraph 7 you refer, Mr. Sanders, to our virtual embargo against exports of rice. Just what do you mean? Have we got an embargo against exports of rice or any other cereal?

Mr. SANDERS. I will have to confess that National Master Newsom inserted that and I did not take the trouble to ask him what he meant. In other words, I did not go to him. I will have to confess that I am totally uninformed as to whether we have any sort of provision that would keep us from shipping rice abroad. I do know that rice is in very great demand; that the price is exceptionally high compared with prewar, and I know what it is due to. But whether we have shipped so much rice abroad that we are beginning to think we are shipping too much for our own good I do not know. I will have to confess you picked a point that I am not informed on.

Mr. ANDRESEN. As a matter of fact, there is no embargo against exporting rice.

Mr. SANDERS. I would think you are right. I have an idea that Mr. Newsom had in mind a price——

Mr. ANDRESEN. The facts are that there is an embargo against rice imports because of the tremendous surplus that we produce of rice in this country. That is under section 104.

Mr. SANDERS. I am glad to get the information, Mr. Congressman.

The CHAIRMAN. We have had export controls on rice. I do not know whether they are in effect now or not. It is not an embargo, I am sure. It never was an embargo, but we have had export controls on rice. I do not know whether they are still in effect. Can any of you gentlemen from the Department of Agriculture clear that up?

Mr. HOLM. Yes, sir. There are export controls in effect on rice today. They do not constitute an embargo, however. They do represent and provide for the flow of the total rice production of the United States into the world. But it was necessary because of the shortage that existed in the world and because of the necessity of protecting our traditional markets of rice and being able to channel the rice supply of the United States into the places where it would best fit—both the maintenance of our traditional markets and the implementation of our foreign policy—to impose export controls.

The CHAIRMAN. Mr. Andresen has asked the Chair to inquire as to what legislation that authority is embraced in.

Mr. HOLM. Under the authority of the Defense Production Act, Mr. Chairman.

The CHAIRMAN. That includes export controls on a number of commodities.

Mr. HOLM. The allocation of commodities.

Mr. SANDERS. May I for the sake of the record, Mr. Chairman, call attention to the fact that National Master Newsom's words are "virtual embargo" and not "embargo." I presume that is what he had in mind, because I think probably he had been discussing this with Mr. Brinkley, the secretary of the co-op council, who is well informed on this point.

The CHAIRMAN. Mr. Harvey had a question.

Mr. HARVEY. In connection with the statement made by the gentleman from the Department, is it not true that we have made as a part of our foreign policy vast commitments to ship rice to Korea, for example? And it is not true that the policy of directing the supply of rice to those commitments that we have made as a part of our foreign policy has been the cause of the imposition of control? Is that not true?

Mr. HOLM. Yes, sir.

Mr. BELCHER. Mr. Chairman, I would like to ask one question here. Mr. Sanders, I notice in your statement that you did not discuss the provision here which changes the penalty from 50 percent of the basis of the loan to 50 percent of the parity price. Does the Grange have a stand on that section of this bill?

Mr. SANDERS. I think our stand would be that we would be in favor of that, because certainly 15 cents a bushel is no penalty as it stands at present for a violation of the marketing quota. So I am quite sure we would agree with raising the penalty. Whether 50 percent of parity is too severe or not, I do not know.

Mr. BELCHER. As I understand it—and the chairman can correct me if I am wrong—this changes it from 50 percent of the basic rate of the loan to 50 percent of parity, which might be quite a difference.

The CHAIRMAN. On that point the situation is like this. In the 1949 act Congress, through an inadvertence enacted legislation which apparently eliminates the provision which provides for a penalty of 50 percent of the support price. I am not too sure it was eliminated. That is not a good way to put it perhaps, but we think there is some question whether it is still in the law. Certainly there is no intent to eliminate the provision. This is an effort to restore what was in the law. It would restore it, except the language in this bill does read 50 percent of parity, rather than 50 percent of the support price. So there is that difference. As the law stands on its face now, the provision is 15 cents a bushel.

Mr. BELCHER. Would you care to comment on whether or not you think your organization would go along with 50 percent of the parity price? Do you think that is too high a penalty or do you think that much penalty is necessary?

Mr. SANDERS. Congressman Belcher, I would be inclined to think that we would say that 50 percent of the support price would be a preferable penalty rather than 50 percent of parity, because 50 percent of parity, if you are supporting under the flexible price support system, could be very severe.

Mr. BELCHER. Would it not virtually just mean that the farmer could not afford to sell wheat and pay the penalty?

Mr. SANDERS. Yes; and he might have an exceptional yield that would give him more than he thought he would get normally. I would think that a provision which said 50 percent of the support price would probably be preferable so far as we are concerned, although I have not given very close study to that.

The CHAIRMAN. Any further questions? Mr. Poage.

Mr. POAGE. Mr. Sanders, reading your eighth paragraph, I was not sure what you meant there, your last paragraph. Do you mean that the Grange is opposed to any program that requires the reduction of acreage for price support?

Mr. SANDERS. No, I do not mean exactly that, because we have had specific resolutions supporting the tobacco restriction program.

Mr. POAGE. You are opposed to it on wheat, cotton, rice and peanuts?

Mr. SANDERS. Yes. Basically we believe that a sound two-price system which would permit a support of exactly the same amount at 90 percent parity that you would with either of the other two laws is possible, and then permit the surplus to sell at any price that it will sell at in any market that is available, and let the farmers carry

that burden of that surplus. So we believe therefore that control is not necessary if you have a proper system of laws to avoid controls.

Mr. POAGE. Let us get that straight, because I am inclined to agree with you that the two-price system has a great deal of advantages. I am inclined to think there is much to that, but I do not quite follow you when you say that you believe controls are not necessary. You would have to control the amount that would go into the domestic market under any two-price system, would you not?

Mr. SANDERS. Yes. But it would not be in the form of production control, but simply marketing control; just simply a differentiation of the supplies.

Mr. POAGE. I understand that. But you would still have to have the control on the amount that goes into the domestic market if you make a two-price system work.

Mr. SANDERS. But you would not need to do that by having any dealings with individual farmers except by a mechanism which separated the two portions of the commodity in the domestic channel.

Mr. POAGE. Are you not going to have to allocate to that farmer the same kind of quota for the domestic market that you allocate to him now?

Mr. SANDERS. No.

Mr. POAGE. Are you going to tell me I can grow all the wheat I want to and sell it on the domestic market?

Mr. SANDERS. Not all that you grow on the domestic market; but only your percentage of what you grow that you are entitled to.

Mr. POAGE. You are still going to have to determine my share of the domestic market just like you now determine my share of the total market.

Mr. SANDERS. This is leading us too deep into a discussion, but I would like to make one statement there. At the beginning of the marketing season the Department of Agriculture could examine the supply and determine the total supply, and then say that a certain percentage of every man's sale would be entitled to price support, based on the total percentage that would be consumed in the domestic market at the price support that we are supporting the commodity.

Mr. POAGE. Mr. Chairman, I would like to discuss that further at a later time.

Mr. SANDERS. I would certainly like to get a chance to talk to the committee about it.

The CHAIRMAN. In view of the limitations on our time this morning, I think perhaps it is well not to pursue it further at this time. Mr. Polk, you had a question.

Mr. POLK. Mr. Sanders, I was somewhat interested in your recommendation on item 4 at the bottom of your first page with reference to 10-year and 5-year periods. I think your membership is very largely limited to the area east of the Mississippi River, is it not?

Mr. SANDERS. We have our largest membership in your State.

Mr. POLK. I know. As you probably know, in Ohio the biggest complaint against the wheat program has been the fact that the Ohio farmers feel they are somewhat discriminated against because they have not increased their total acreage in wheat production in the last several years. I do not suppose there are any more acres of wheat in Ohio today than there were 25 years ago. The yield may have been

increased slightly, but the acreage has been about the same. The Ohio farmer feels that our great surplus of wheat is not the fault of the Ohio farmers, but the fault of our friends out in Colorado and out in the far West where they have increased the acreage of production very materially.

Now if we set a 5-year standard, will not that work as a handicap? It will freeze, in other words, the tremendous increase in acreage out in the far West as compared with the eastern part of the United States, thereby giving a permanent advantage to one area of the country as against another area. It seems to me that you as a Grange Master will be interested in the 10-year period because wheat in the 10-year period will be more favorable to the small farmers in the Eastern States. What is your comment on that?

Mr. SANDERS. Sometimes, Congressman Polk, we do have to take stands that do not look like it is to the specific interest of a heavy Grange membership. This is one of them, I will have to confess. We believe that one of the great criticisms that can be imposed on a controlled production program is that it freezes patterns of production that are not best for the welfare of this Nation as a whole. The very reason why you have not increased your wheat acreage, and Congressman Hill's section has increased its wheat acreage, is that they can grow wheat to a greater economic advantage. The fact of the business is, they cannot grow much of anything but wheat out there. So that is the reason why we support this provision. We believe that it will tend to maintain a sounder pattern of wheat production. It does penalize us.

Mr. POLK. Have you taken this up with your members in Ohio?

Mr. SANDERS. Oh, no.

Mr. POLK. I do not think they would follow you on this, Mr. Sanders.

Mr. SANDERS. We are basing this on our general policies and programs of the past. I am sure we would get that sort of a vote in our national session if this specific measure was brought up at our national session. I am just sure of it. I am certain that we are not violating a general policy that the Grange would support. It may appear to an Ohio Granger that we are.

Mr. POLK. I believe the majority of your members out in Ohio would prefer the 10-year period rather than the 5-year period.

Mr. SANDERS. One basic principle that the Grange has clung to throughout all these discussions since the First World War is that we do not believe in a controlled production program as a basis for farm measures. This is very consistent with that, and I am sure we will never depart from it. I feel reasonably sure that the Grange will never depart from supporting some sort of a system of control and support that will give us abundance rather than restriction.

Mr. ABERNETHY. Mr. Sanders, who fixes the policy of the Grange.

Mr. SANDERS. They arise in this fashion. Quite often a resolution is passed by even a local Grange, sent to a county Grange where it is passed; then sent to a State Grange and then comes to the National Grange. That is usually the normal way of policies arising.

Mr. ABERNETHY. Who authorized the issuance of this statement? This is policy. This is a statement of the Grange. Who authorized it?

Mr. SANDERS. The national master and myself formulated it.

Mr. ABERNETHY. With whom did you collaborate before the statement was prepared? Anyone?

Mr. SANDERS. No. I personally drafted the statement and it was referred to Mr. Newsom, who changed it in a few respects; and then we agreed that this was the statement we would make. But it is based, Congressman, on our full knowledge of what our policies are and obviously we do not have a policy on every bill. We cannot have.

Mr. ABERNETHY. That is all, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Sanders. The next witness will be Mr. Ed Bell, representing the National Association of Wheat Growers.

STATEMENT OF ED J. BELL, NATIONAL ASSOCIATION OF WHEAT GROWERS

Mr. BELL. Mr. Chairman and members of the committee, my name is E. J. Bell. I am administrator of the Oregon Wheat Commission, with offices in Pendleton, Oreg. I was in Washington for 11 years, from 1930 through 1941, during which time I was with the Federal Farm Board, the Farm Credit Administration, and the Agricultural Adjustment Administration. I participated in drafting the Agricultural Adjustment Act of 1938, including the provisions which would be amended by the bill that is now before you. The National Association of Wheat Growers asked me to give you whatever suggestions might be helpful in your deliberations.

From my experience in helping administer this act in the early years, and from my observations of its operation in the field since 1941, it is my opinion that this bill should be passed and that it should be passed as soon as possible. The statement made yesterday by Mr. Gordon clearly sets forth the reasons why the Department of Agriculture needs these amendments in order to administer the act effectively during the coming year. It is essential that farmers have full and complete information before them when they vote on marketing quotas.

This vote must be held under the provisions of section 336 of the act of 1938 before July 25, 1953. The Department of Agriculture must prepare information and instructions and get it into the hands of all wheat farmers in ample time for them to study it and decide how they want to vote in the referendum. Farmers will need to know whether or not they are eligible to vote, how much of an adjustment will be required of them, and what the effect will be upon their 1954 price-support program. It is necessary for the Department to know what action Congress is going to take on the proposed amendments before farmers can be furnished with the specific information that they must have in order to vote intelligently.

For these reasons, immediate action on the bill now before you is imperative. I should like to add 1 or 2 considerations to the statement that was presented by the Department of Agriculture. Their statement contained some excellent reasons why it is sound policy to provide a national acreage allotment for the 1954 crop of wheat in excess of the present legal minimum of 55 million acres. Another reason why this action should be taken by Congress is that it will show hungry people in other countries that the United States will have adequate

supplies of wheat available for sale. During the past several years I have spent quite a little time in the Far East because that is the part of the world where more than 75 percent of our Pacific Northwest wheat has been sold. I know that it is very disturbing to the food ministries in the Orient when they hear that the United States is curtailing food production. This is particularly disturbing in view of the worldwide shortage of rice and the uncertainty of supplies from rice-exporting nations. With the food supply of half the population of the world in a critical state, it would be very poor psychology for the United States to announce such a drastic cut in wheat acreage as would be required under the law as it now stands.

If we announce a national allotment of 66 million acres, as provided in the bill now before you, this would, I believe, be around a 15 percent cut from 1952 seedings. If we provide even this much of a reduction, we should assure other countries that the United States has plenty of wheat for sale, and that we are ready and willing to sell it to them on terms that they are able to meet.

In view of the uncertainties of weather in our own country and the uncertainties of the international situation, the United States should definitely not cut wheat plantings below 66 million acres for the 1954 crop. I only have one other comment, and that is directed toward the provisions of section 3 and section 4 (b) of the bill now before you. These provisions would exempt from wheat marketing quotas any farm not having in excess of 25 acres, or on which the normal production of the acreage planted is less than 400 bushels. Wheat producers who can grow nothing less and who must depend upon wheat for their entire income do not wish to impose unnecessary restrictions upon those who raise wheat on small acreages in rotation with other crops. We have not canvassed all the States on this point, but I thought you might be interested in the reaction of a group of producers who met in Pendleton, Oreg., a few weeks ago. They discussed the very point now before your committee. Some of them thought that farms growing 50 acres or less should be exempted from quotas. The president of the Oregon Wheat Growers League told me that they would like to see this limit as high as Congress believes expedient, and certainly not less than 25 acres.

In conclusion, let me emphasize again that steps need to be taken in the immediate future to put definite and specific information into the hands of wheat farmers in time for each of them to decide how he wants to vote in the referendum. It would be very embarrassing for wheat farmers to come in here a year from now and tell Congress and the Department that they did not know what they were voting upon in July 1953. In order to avoid such a situation, whatever changes are to be made in the law should be made as soon as it is possible for Congress to act.

The CHAIRMAN. Are there any questions?

Mr. BELCHER. Mr. Chairman, I would like to ask that one question you heard me ask Mr. Sanders. You have not discussed the penalty provision change.

Mr. BELL. I would think that the recommendations that have been made by the Department would be sound in this case because as we understand the interpretation of the present law, the penalty would go back to 15 cents a bushel, which would be meaningless. I also believe that the bill that you have here would make the wheat

penalty consistent with similar provisions for other commodities. So from that standpoint, I would say that we would have no objection to the provisions in the bill.

Mr. BELCHER. The point I am getting at, would you favor 50 percent of parity or 50 percent of the basic loan rate?

Mr. BELL. I would say whichever is the easiest to figure, because it really will not make much difference in the final analysis.

Mr. HOEVEN. But the bill does not provide for that. The bill says 50 percent of parity in lieu of the——

Mr. BELL. The bill says 50 percent of parity.

Mr. HOEVEN. Do you favor that?

Mr. BELL. I would not see any objection to that, compared to 50 percent of the basic loan rate, because in the final analysis they would both be large enough to effectively control the marketing of the wheat.

The CHAIRMAN. Any further questions? If not, we thank you very much, Mr. Bell, for your statement. Mr. Frank K. Woolley, representing the American Farm Bureau Federation, will be the next witness.

STATEMENT OF FRANK K. WOOLLEY, AMERICAN FARM BUREAU FEDERATION

Mr. WOOLLEY. Mr. Chairman, I have a statement prepared here, and copies of it are available. In view of the shortage of time of the committee, I will very briefly summarize what is in the statement.

The CHAIRMAN. Without objection your statement will be made a part of the record at this point.

(Mr. Woolley's statement is as follows:)

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION WITH RESPECT TO H. R. 5451

The American Farm Bureau Federation, representing 1,492,210 farm families in 47 States and Puerto Rico, appreciates this opportunity to present the views of the organization with respect to H. R. 5451.

Before commenting on the detailed provisions of the bill, I think it would be in the interest of a clear understanding of our position for me to comment on the background and philosophy of the Agricultural Adjustment Act of 1938 with respect to acreage controls, price supports, markets, and the present position in which we find ourselves.

During the twenties and early thirties farmers were diligently seeking a solution to their problem of finding adequate markets to absorb their production at a fair price. We have all had considerable experience with this problem and as a result, I hope we are able to view it in its broader aspects. The fundamental provision of the Agricultural Act of 1938, which was the outgrowth of this search by farmers for a solution to their problems, was that government had a function to perform with regard to adjustment programs in agriculture. But in order to keep such programs from constituting an unreasonable burden on the Federal Government, it was recognized that the producers had the responsibility for keeping supplies in line with demand. As a matter of fact, Alexander Legge, secretary to the former Federal Farm Board, commented upon the failure of that venture in price supports after it had lost practically all of the capital that had been made available to it for carrying out the Farm Board's activities. In its final report the Board said, and I am quoting directly from their report:

"No cooperative system can successfully accomplish its purposes unless production is coordinated with marketing * * *. Attempts to effect production through general advice * * * but without definite organization for the purpose had little effect * * *. Experience with stabilization thus demonstrated that no measure for improving the price of farm products other than increasing the demand of consumers can be effective over a period of years unless it provides a more definite control of production than has been achieved so far."

The act of 1938 recognized this with respect to wheat and section 331 reads in part as follows:

"The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce."

The Agricultural Act of 1938 provided for price supports for wheat of from 52 to 75 percent of parity. The members of the committee will recall what happened to the production of wheat, and particularly to the carryover of wheat, while this provision of the law was in effect. In 1942 the carryover of wheat as of July 1 was 631 million bushels. In 1943 it was 619 million bushels. As we all recall these so-called surpluses at that time soon turned into strategic reserves due to the outbreak of World War II.

In 1942 the Steagall amendment was passed providing for 90 percent price supports on the basic commodities for the duration of the emergency and for a period of 2 years thereafter. The basic reasoning as we understood it was to give producers and the Congress an opportunity to develop a permanent long-range peacetime agricultural program and to make an orderly adjustment of wartime production in line with demand and to avoid the chaotic situation we experienced after World War I.

In 1942 the harvested acres of wheat in the United States was about 53 million. In 1945 at the conclusion of hostilities of World War II, the harvested acres of wheat was approximately 69 million. In 1952 the harvested acres of wheat was over 77½ million. By the continuation of this wartime measure producers have been encouraged to grow wheat in excess of any genuine market demand.

We call to the attention of the committee that during the past 5 years we have exported as high as 504 million bushels of wheat in 1 year. The average annual export of wheat for the period since 1945 has been in the neighborhood of 400 million bushels. We would call to your attention that prewar (1935-39) the United States export of wheat was about 63 million bushels a year. These high exports that the producers of wheat have enjoyed over the past 7 years have been made possible because of the willingness of the United States to subsidize these exports both in the form of grants and aid to importing countries and under the International Wheat Agreement. The demand has not been a firm marketing demand for wheat. As a matter of fact from 1948 to 1952, 33.5 percent of the exports of wheat from the United States were financed by either ECA or MSA procurement authorizations. In addition to this amount we have subsidized the wheat agreement over the 4-year period at the rate of 63 cents per bushel, or a total cost of about \$580 million.

As you gentlemen know, our exports of agricultural commodities have greatly declined. The decline in wheat and flour exports in 1952, as compared with the previous year, was about 20 percent and they are continuing to go down.

If wheat farmers are to continue to produce, at high levels, we must have greatly expanded markets. The greatest hope for this expansion is exports.

We must face up to the fact that the agricultural facilities of the United States have been greatly expanded and that the production of the agricultural plant is such that it far exceeds our present firm market demand. We must solve the problem of finding markets for this production or face the most far reaching repercussions to our economy.

Fundamentally acreage allotments, marketing quotas, or increased carryovers will not solve this marketing problem. We should not lose sight of the fact that marketing is our real problem and anything else we do may be merely treating the symptoms and not the real disease. We can build up the carryover in the hands of the Government, but sooner or later we must come down to the basic proposition of marketing wheat. The higher the carryover of stocks, the more they depress the market and make prices dependent upon Government action rather than the forces of supply and demand.

In looking at the specific provisions of H. R. 5451 we cannot lose sight of these larger considerations and such action as we take with respect to the details of this bill ought to further the basic objectives of finding markets.

The provisions of the bill providing for 1 percent national reserve is an idea that has been recognized by the board of directors and the commodity advisory committee of the American Farm Bureau Federation with respect to cotton. However, Farm Bureau has not expressly discussed this matter as related to wheat. On the basis of our policies with regard to this point on other commodities, I

think we can assume that there would not be an objection to this provision as applied to wheat.

The provision on page 3, beginning on line 17, providing for a 3-percent State reserve would, I think, conform to our policies.

The provisions on page 4, beginning line 5, to amend section 355d of the Agricultural Adjustment Act by increasing the quantity of wheat than can be produced on any farm and not be subject to marketing quotas from 200 to 400 bushels raises some basic questions which the Farm Bureau has not had an opportunity to consider with respect to wheat through its complete organizational machinery for dealing with such problems. The same is true with respect to the provisions on page 4, beginning line 19, that would increase minimum acreage allotments from 15 to 25 acres. Likewise, this same situation with the idea beginning on page 4, line 22, with respect to establishing the minimum acreage allotment for 1954 crop of wheat at 66 million acres rather than 55 million as now set forth in the act. However, in connection with all three of these ideas we have some very fundamental questions that we think should be raised for the consideration of this committee.

Before going into these detailed provisions, however, let me say that we are definitely in favor of clarifying the language of the act so that it is clear that the penalty provisions for marketing wheat in excess of the quota is 50 percent of the loan rate. We are quite sure that it was never the intention of the Congress that the penalty rate would only be 15 cents per bushel. However, our policy definitely favors 50 percent of the loan rate instead of 50 percent of parity price so we would suggest a modification of the bill to this extent.

With respect to raising the minimum acreage and the bushelage that can be marketed without penalty and the raising of the minimum acreage allotment to 66 million acres, I would like to raise these points: First, will they have the effect of moving in the direction of improving the program as applied to wheat so that farmers are producing for the market, or will it move in some other direction? In the case of tobacco last year this committee considered this proposition of minimum acreage allotments as applied to burley tobacco and decided it was bringing about a situation whereby a larger and larger responsibility for curtailing production was falling upon a smaller and smaller number of growers. This committee recognized by the actions taken that the program was going in the wrong direction and the situation was becoming untenable. As you know, it had gone so far that in some areas well over half of the allotments in the area were at the minimum. The whole question of increasing the minimum acreage allotment for wheat so that certain producers will not be affected by marketing quotas and thereby ineligible to vote should be considered in the light of our experience with other programs.

It should be pointed out that not only are we in a marketing-quota position with respect to wheat but we are in a quota position with respect to cotton, and there is a possibility that we may be in quota position with respect to corn in 1954. We are facing the situation of having diverted acres from cotton and corn. With the fats-and-oils picture being as it is and markets as glutted as they are, we may have to do something about quotas on soybeans. Now if we are to have diverted acres on cotton and possibly corn, and a little more remotely on soybeans, are we not inviting producers in areas that can produce all of these crops, or even 2 of them, 1 of which is wheat, to divert from these other crops to the production of wheat?

If we encourage additional production of wheat outside the traditional commercial wheat-producing areas, will we not have brought about a situation that will penalize the regular commercial wheat growers? While we are in effect holding an umbrella over a large percentage of wheat growers, and I understand that about 64 percent of all wheat growers will be exempt, the net effect will be to make the regular wheat producers make unusually high adjustments. You should also consider in this connection that in the so-called commercial wheat areas these producers have few alternate crops for their diverted acres but the producers that would be governed by this increased minimum, generally speaking, have many more alternative uses for their land resources.

From the foregoing you are undoubtedly by now fully conscious of the fact that we are devoted to the principle that the real solution to our problem is the finding of additional markets. In the past some Commodity Credit Corporation stocks have been carried over for such a long period of time that they have deteriorated so that what should have been an asset has turned into a liability, and all the time that it was being kept in storage it was hanging over the market and depressing the farmer's price.

The members of this committee are well aware of the accumulation of CCC stocks, and it is estimated that by the fall of 1953 the CCC will have committed upward of \$5 billion of its borrowing power for so-called surplus agricultural commodities. You can anticipate extreme pressure both internally and externally for the utilization of these stocks.

We have been faced with similar situations before, and it is the opinion of the American Farm Bureau Federation that we have not used these stocks to the best advantage of the United States or the countries to which they were shipped. Therefore, we have recommended to the Senate Foreign Relations Committee and the House Foreign Affairs Committee that consideration be given by the Congress to a plan for the orderly utilization of these stocks to further the mutual security objectives of the United States. At this point, Mr. Chairman, I would like to read into the record a summary of this proposal:

By way of summary, the American Farm Bureau Federation is strongly in favor of the plan of reasonable price supports as embodied in the Agricultural Act of 1949. We further strongly subscribe to the proposition that producers have responsibility for keeping supplies in line with demand as their part for obtaining reasonable price supports. We do not believe that surpluses should be brought into being and kept in storage in excess of an adequate supply for the domestic market, supplies for the foreign market demand, and a reasonable allowance for carryover that will not unduly depress market prices. The real solution to our problems is expanding markets and not controlling the agriculture economy of the United States.

We must devote our energies to solving the problem of expanding markets for both agricultural and industrial commodities, and to this end we would take the stocks of CCC and convert them from liabilities into assets in connection with the mutual security and other foreign-aid programs and help open up additional markets. Any amendments that are made to the Agricultural Act of 1938 as amended with respect to acreage allotments and marketing quotas on wheat should be designed to further these objectives rather than to move in some other direction.

PROPOSAL FOR USE OF CCC STOCKS FOR EXPANDING FREE WORLD ECONOMIES

The American Farm Bureau Federation recommends consideration of a proposal to sell up to a billion dollars worth of CCC stocks to reinforce the United States Mutual Security Program. The proposal for consideration would authorize the Secretary of Agriculture to transfer CCC stocks available for expanding world markets, to the Administrator of the Mutual Security program at ports of embarkation. It would authorize the Administrator of Mutual Security, within limitations set by Congress, to offer such stocks for sale through private traders to cooperating countries under conditions negotiated by him with receiving countries in exchange for local currency. The Administrator would be further authorized to accept such currencies for the United States and use them to reinforce the Mutual Security Program and further its objectives by using the funds under mutual agreement, either (1) as loans to banking institutions in cooperating countries which in turn would use the funds to increase production and encourage international trade and/or (2) to pay United States obligations such as contributions to cooperative defense establishments, for economic development, for aid to other cooperating countries, and for strategic materials to augment United States stockpiles above currently planned levels.

The American Farm Bureau Federation's record of opposition to the use of foreign-aid programs as a means to dump agricultural surpluses is clear. The AFBF has repeatedly and consistently opposed the rigid high farm price supports which result in the accumulation of dangerously high stocks. Notwithstanding our opposition, the Congress has provided for the continuation of rigid 90 percent price supports on so-called basic commodities through 1954. Already, investments of the Commodity Credit Corporation in agricultural stocks have grown to over \$3 billion and will probably reach \$4½ to \$5 billion by the end of this year.

These huge supplies now in being and in prospect and which might have been avoided by a flexible price-support program create a major problem with which the United States must reckon this year. It may be expected that as these supplies mount, pressures will mount to give away, destroy or divert them to nonmarket uses. These frenzied disposal efforts could jeopardize sound markets, could impair the prestige of United States leadership at home and abroad. The American Farm Bureau's proposal offers a way to develop a thoroughly sound program for the United States to use these supplies constructively to expand

free-world economies and get maximum value for the United States and at the same time make a maximum contribution to our foreign relations. If a part of these supplies are to be used to reinforce and further the objectives of our Mutual Security Program, authorization for their use must be made a part of the Mutual Security Act.

United States national security depends in part upon long-term defense arrangements with strong Allies highly industrialized. However, the economies of the free industrial nations with which we need to be allied are not complementary. Rather each must export large amounts of capital goods. They cannot live and prosper in a market limited to trade among themselves. They can be bound together in an enduring defense arrangement only if the great industrial nations, including the United States and other cooperating nations of the free world, are made mutually benefitting partners of an expanding free-world economy. Development and expansion of free-world economies will require considerable amounts of capital of which the United States will more than likely be called on to provide a large portion.

We believe that in the manner suggested, United States agricultural supplies can be used as capital for the expansion of free-world economies. Thus CCC stocks can be used to round out and complement the economies of the free world to the mutual benefit of all participating partners.

In this way CCC stocks could be turned from liabilities to assets for the United States.

Some of the advantages of this proposal follow:

(1) This is not a give-away program. Its purpose is to sell United States agricultural supplies for a maximum of local currencies which may be used by the United States to aid in economic development and promoting trade among cooperating nations.

(2) This is not a dumping program. Its primary direction is toward new and underdeveloped areas. The prices are to be maximum. Acceptance by countries is voluntary. Marketings are safeguarded by assuring that quantities are net additions to consumption.

(3) It would convert likely liabilities resulting from CCC stocks to assets by using them for constructive purposes by investing them in economic development and expanding international trade.

(4) It would provide the United States with a powerful economic weapon to counter the Communist trade offensive which seeks to divide our allies by luring them into the Communist orbit.

(5) It would involve no additional appropriation or authorization of funds in fiscal year 1954.

(6) It would temporize the drastic production cuts otherwise imminent.

(7) It should appeal to cooperating nations. It would increase their supplies of agricultural products which they need. It would provide for reinvesting the proceeds of sale in economic development and expanding trade among them.

Essential protective features which must be included:

(1) These supplies must result in net additions to consumption, not a substitution or displacement and should be directed primarily to underdeveloped areas.

(2) There should be no element of gratuity. They should be moved under bona fide sales and the proceeds of such sales belong to the United States.

(3) There should be no element of coercion for cooperating nations to accept. This is an offer to do business under clearly specified conditions for mutual benefit.

(4) Among the uses of funds must be the right of the United States to purchase goods for aid to other cooperating countries and for United States strategic stockpiles above those currently planned.

(5) That all funds, regardless of currency shall be accounted for in terms of dollars.

Mr. WOOLLEY. The American Farm Bureau Federation, of course, appreciates this opportunity to appear. Unfortunately the way the American Farm Bureau Federation operates, we have to take these questions up—it is not unfortunate; in fact I think it is a very fine thing—with our membership, with our board of directors, before we can testify on something. As you well know, I have been working on this wheat problem for a number of years in the Department of Agriculture, and have my own personal opinions. However, I am not representing myself. I am representing the American Farm Bureau Federation, and anything I say is a reflection of the policy of that organization.

Mr. ANDRESEN. Does that policy coincide with your personal opinion?

Mr. WOOLLEY. My personal opinion is always accommodated to the group with which I work, and whenever the percentage of accommodation gets to a point where I cannot personally agree with it, then I move to some other organization.

The American Farm Bureau Federation has not had an opportunity to discuss the specific provisions of this bill, and therefore we cannot comment on it specifically. There is one point in the bill, the provision for increasing the penalty to 50 percent of the parity price; we are quite confident it was never the intention of the Congress to reduce the penalty to 15 cents a bushel and we are on record as supporting the Agricultural Act of 1938, as amended, and added to by the Agricultural Acts of 1948 and 1949, so that we would specifically therefore be in favor of this bill being amended to provide for a penalty of 50 percent of the loan rate instead of 50 percent of the parity price.

Fundamentally, though, we would like to get this in the record. The American Farm Bureau Federation favors the Agricultural Act of 1938. It favors the fundamental philosophy of that act, and there has been in the past few years apparently some loss of sight of what that philosophy is. The basic philosophy is that farmers should not be subjected to the complete rigors of an economy without any protection from the Federal Government, but that in return for protection from the Federal Government the producers have the responsibility of keeping supplies in line with demand; and that it is the producers' responsibility. We also want to have the market price have an effect on allocating resources and rewarding efficiency and penalizing inefficiency.

If we are going to do that, we cannot possibly have an effective program if we raise the carryovers to a point where the market will not function. You completely have the price of a commodity riding right on the loan level. This is very fundamental.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield right there?

Mr. WOOLLEY. Yes.

Mr. HOEVEN. What do you consider a proper carryover?

Mr. WOOLLEY. We think that the carryovers that are in the law now are adequate. We do not agree with the people who advocate increasing the carryovers. There has been a great deal of discussion about that, and if you really want to keep the price mechanism functioning, you cannot favor excessively high carryovers. We favor having an adequate supply for the domestic market, an adequate supply for the foreign market, and an adequate supply for a carryover; but we do not want those carryovers to be used for something other than carrying on an orderly marketing program.

We do not like to see them used as a device to beat down price. We think that farmers should be intelligent in connection with the operation of their business just like anybody else, and they should produce what the market will take.

Mr. POAGE. Will you agree that any carryover, regardless of how it is held or where it is held, is going to beat down price?

Mr. WOOLLEY. Absolutely; you are correct in that. The philosophy that you can freeze stocks in such a way that they will not be reflected in the price is the search after some mythical answer, because, as you earlier said in this session, the people who are engaged in the business

of buying and selling commodities on the market know those stocks are in existence; they know that, even though they have been frozen, they can be unfrozen; and that that being a possibility, they always take it into account and it depresses the market to that effect.

Mr. HOEVEN. Then I understand the Farm Bureau is not in favor of the so-called wheat pool that was proposed here this morning?

Mr. WOOLLEY. We have never favored the wheat pool idea. We have never favored the International Commodity Clearing House. We think they have some very basic fundamental weaknesses to them. We think, though, that we have a serious situation facing marketing quotas with respect to wheat; facing marketing quotas as a distinct possibility with respect to cotton; and also with respect to corn. And even though there is no marketing quota law with respect to soybeans, the fats and oils picture being as bad as it is, we think we are even facing the possibility of some kind of restriction of production of soybeans.

Now I raise that because it seems to me that the committee ought to take into consideration this fact, that whenever you start reducing a commodity and exempting a group of people from the reduction of that production by any device, you begin to create problems that at the outset may not look very serious to you; but as time goes along they gain larger and larger proportions. I cannot say, as I sit here this morning, whether or not the Farm Bureau would favor raising the exemption from 15 acres to 25 acres, or from 200 bushels to 400 bushels. But there are questions in connection with it that I think this committee ought to definitely consider; and I am sure that the policy of our organization is such that it will support the asking of these questions.

You remember you talked about tobacco last year, burley tobacco and the minimum acreage allotment on that. You decided there that the minimum acreage allotment was getting you in trouble and that you were going in the wrong direction. So you decided to go in the opposite direction with respect to minimum allotments on burley tobacco. Now, if you put an umbrella, so to speak, over 64 percent of the producers, it is true that they may only produce about 20 percent of the wheat; but if you put an umbrella over them and at the same time you have got diverted acres with respect to other crops, you are going to encourage them to go into wheat and this may operate to the detriment of the regular wheatgrower; it may very definitely operate against him.

The CHAIRMAN. Will you yield right there on that point?

Mr. WOOLLEY. Surely.

The CHAIRMAN. In the past several years there have been no restrictions upon the production of wheat whatever.

Mr. WOOLLEY. In 1950 there was, I believe.

The CHAIRMAN. But most of the time; that is the only exception. During all the remainder of the time since 1942 there have been no restrictions, and there have been none since 1950. So anyone who wanted to produce wheat could do so without restriction. There was nothing to induce him to curtail or nothing to induce him to produce wheat except he might think it to his interest to do it.

Do you think that legislation such as we have here is going to be any more conducive to stimulating the production of wheat than you

would have in a free economy where there were no restrictions whatever?

Mr. WOOLLEY. Of course I cannot agree that there has not been an incentive to produce wheat. There has been a very definite incentive to produce wheat in the form of a 90 percent mandatory price support.

The CHAIRMAN. Maybe I did not state my question correctly. Do you think there is any more inducement now than there has been in the past years?

Mr. WOOLLEY. For 1954, with 90 percent mandatory price support, there is no more inducement to produce wheat in 1954 than there was in 1952 or 1953. But the price-support program has definitely induced people to go into the production of wheat who would not have otherwise gone into it, and there are areas where there are national producing commodities that the market wants, because those commodities are not supported as high in relationship to wheat as wheat is. Therefore they are not producing for the market and wheat is not being used for the market.

The CHAIRMAN. Maybe I misunderstood your statement originally. I thought that you were critical of this particular approach because you thought it might induce the expansion of acreage.

Mr. WOOLLEY. No, I am not critical of it. I will tell you what I would like to see us do, if we could. I think this is a very serious thing as far as the wheat producers are concerned. I think this is a very serious proposition with respect to the whole question of price supports, the level of supplies, and the philosophy with respect to the imposition of marketing quotas. I would like to see this committee give us an opportunity to call our people together and discuss this and come forward with the recommendations that would be based on our wheat people's attitude with respect to this.

The CHAIRMAN. How soon could that be done?

Mr. WOOLLEY. This is now June 5. I think we could call a meeting within the next week or 10 days. Then as a result of this commodity group's meeting from all of the wheat areas, we could then put it up to our executive committee that whatever they come up with, we will bring to the committee. This is what I would really like to do.

The CHAIRMAN. The committee is in this situation. Unless we pass some legislation in both Houses before the 1st of July—in fact, much before that—the wheat farmers of this country and the Department of Agriculture are going to be in a situation where they will not know how they can plan or with what they are to be confronted. That is the reason for haste at this time, and is a very strong reason, I think. Do you think you could get together at an earlier time?

Mr. WOOLLEY. I do not know how we could do it. I will tell you what we will do, though. We will call our people with the idea in mind of trying to get them together as early as possible and then I will talk to you about it. I really think this is very fundamental. One thing I did want to say for the benefit of the committee that is here. It is in this statement. We really have come around to the belief that what we have got to do is to use these Commodity Credit Corporation stocks to expand our markets and that we are not going to solve our problems with respect to the agricultural plant being greater than our markets are. That is really what the agricultural problem is. We build it up to a point where we just can produce so

much that we are going to drown in it if we do not export. We have got to ship these supplies out of this country and we have got to trade.

We think we ought to use Commodity Credit Corporation stocks to try to expand trade, and we have a plan—it is in this statement that I submitted to you—as to how you can use those stocks to expand trade.

The CHAIRMAN. To get back to this particular piece of legislation for a moment, this bill does not change the formula which governs the imposition of marketing quotas and acreage allotments. It does for 1 year raise the minimum acreage, but it does not attempt to change the overall formula.

Mr. WOOLLEY. Or the carryover.

The CHAIRMAN. The provisions of the bill are temporary in that regard. In most features the bill makes permanent changes in the law but in that particular situation it deals with 1 year, 1954. The purpose in taking that approach is that under the law as it stands, if marketing quotas are imposed, the reduction in acreage for 1 year as compared with the 1953 acreage would be about 30 percent. I would like to have your opinion as to whether you think a reduction in 1 year of 30 percent is within the limits of practicability, considering what would become of the laid-out acreage and other factors that would arise from a drastic cut like that?

Mr. WOOLLEY. Let me say this. I realize full well that a 30 percent cut backed up by marketing quotas would be a very severe blow to major sections of this country and would seriously affect the economy of the areas where wheat is the main agricultural commodity. That is a big segment of the agricultural producing area of the United States. It is a very serious proposition. In the past the American Farm Bureau Federation has not favored minimums as a fundamental proposition, although they have in the case of cotton. They favored a minimum acreage allowance so that you would not have such a terrific impact in 1 year, and I think that something along this line is definitely indicated.

However, the thing I cannot say to you—and this is the basis for my hesitancy—we cannot say whether our people would favor it being at 66 million acres or 60 million acres. I think they definitely would want to favor ameliorating the situation that we face of having to go down to 55 million acres. I assume that the figures the boys in the Department would have to come up with would bring about that result. I think it is a fine thing that you are not trying to increase the carryover in this legislation, and we would be very strongly against your increasing the carryover. There is not any question about the fact that our policy would be contrary to that, because we know there are abundant supplies.

I understand that the 66 million acres would permit the carryover that is indicated for July 1, 1954, to be carried on for another year; whereas if you put it at 62 million acres it would mean that the carryover would be held to about 570 million bushels, which is what is indicated as of July 1, 1953. Is that not correct?

The CHAIRMAN. Sixty-two million would maintain the same carryover you have at the present time, this coming July; and the 66 million would be the same as the anticipated carryover on July 1, 1954.

Mr. WOOLLEY. Yes; that is what I understood. But our people definitely, I believe, would be in favor of ameliorating this. But I do

not know just where they would want to do it. It is really questionable in my mind as to whether they would favor the 15 to 25. I understand what the problem is, and our people favor marketing quotas. I think they would want to see something done that would mean that marketing quotas would not be voted out. I am pretty sure that this is what our fundamental philosophy would be at this present time. That is certainly what is in the act of 1938 and its amendments.

The question, though, as to whether or not by going from 15 to 25 you may not be compounding your problems is something that I am sure they would really like to comment upon and like to make their own decision on before they see the Congress act.

The CHAIRMAN. The Committee is going to have to adjourn on account of the rolleall now going on. I would like to suggest this with respect to any action which your committee dealing with this matter might want to take. It would be very difficult, I think, for us to hold up action on this bill in the committee until you could meet, assuming you take a week or 10 days, because if this legislation is going to have any value at all we have to get at it at once. I had hoped we could take some action in this committee on this bill the first of next week.

However, there is pending in the Senate a bill which goes farther than this bill in the matter of carryovers, and it also deals with corn as well as wheat. There will be hearings on that bill, and I assume on this bill, if we pass it in the House. If you would be able to get your group together before that time, you could present your views at the Senate hearings. I do not think they are contemplating them immediately. While I would like to have your views before this committee when we consider this legislation, I do not believe that time will permit it. But you would have an opportunity when the bill comes before the Senate to present them there. In the overall, they would be considered either in the Senate or in conference, but probably not here in the House.

Mr. WOOLLEY. I appreciate that and I would like to leave this one idea with you. We are really interested in the farmers getting the maximum real income; I mean real income. That is what we are interested in. We believe that an adjustment program properly operated at proper levels will help bring that about.

But please, when you deal with the people over in the Senate, do not agree to increasing the carryover. We think this will militate against a sound solution of our problems, and it diverts our attention away from the real proposition of finding the markets for this surplus. We have got to solve that problem or else we are going to drown in our own production.

The CHAIRMAN. I can only speak for myself. My own position is the position taken in this bill. I do not favor a permanent increase in the carryover formula at this time. I think that is a matter that should be taken up at a later date when we have more time.

Mr. WOOLLEY. That is a very far-reaching proposition that should not be lightly discussed.

The CHAIRMAN. The committee will adjourn until the further call of the Chair.

(Thereupon, at 11:25 a. m., the committee adjourned subject to further call of the Chair.)

WHEAT MARKETING QUOTAS AND ACREAGE ALLOTMENTS

HEARINGS BEFORE THE COMMITTEE ON AGRICULTURE AND FORESTRY UNITED STATES SENATE EIGHTY-THIRD CONGRESS

FIRST SESSION

ON

S. 2099

A BILL TO AMEND THE WHEAT MARKETING PROVISIONS
OF THE AGRICULTURAL ADJUSTMENT ACT
OF 1938, AS AMENDED, AND FOR
OTHER PURPOSES

JUNE 25 AND 26, 1953

Printed for the use of the Committee on Agriculture and Forestry



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WHEAT MARKETING QUOTAS AND ACREAGE ALLOTMENTS

THURSDAY, JUNE 25, 1953

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D. C.

The committee met, pursuant to notice, at 10:10 a. m., in room 324, Senate Office Building, Senator George D. Aiken (chairman) presiding.

Present: Senators Aiken (chairman), Young, Hickenlooper, Mundt, Schoeppel, Welker, Anderson, and Eastland.

Also present: Senator Carlson.

The CHAIRMAN. The committee will come to order.

We have before us at this time a bill, S. 2099, to amend the wheat-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

(The bill is as follows:)

[S. 2099, 83d Cong., 1st sess.]

A BILL To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) By striking out in paragraph (8) the language "during the ten calendar years in the case of wheat, and during the five calendar years in the case of cotton," and inserting in lieu thereof the language "during the five calendar years"; and by deleting the language "and, in the case of wheat, but not in the case of cotton, for trends in yields".

(b) By striking out in paragraph (13) (A) the language "per acre of corn or wheat" and inserting in lieu thereof the language "per acre of the commodity"; by inserting in the first sentence immediately after the language "ten calendar years" the language "in the case of corn, and five calendar years in the case of wheat,"; by inserting in the first sentence immediately after the language "weather conditions and" the language "in the case of corn, but not in the case of wheat, for"; by striking out in the second sentence the language "ten calendar years" and inserting in lieu thereof the language "ten or five calendar years, as the case may be,"; and by striking out in the second sentence the language "ten years" and inserting in lieu thereof the language "ten or five years".

(c) By striking out in paragraph (13) (E) the language "and wheat, but not in the case of cotton or peanuts" and inserting in lieu thereof the language ", but not in the case of cotton, wheat, or peanuts"; and striking out the language "and wheat, and five calendar years in the case of cotton or peanuts" and inserting in lieu thereof the language "and five calendar years in the case of cotton, wheat, or peanuts".

SEC. 2. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) By inserting in subsection (a) after the words "The national acreage allotment for wheat" the language ", less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection,".

(b) By adding at the end of subsection (a) a new sentence to read as follows: "The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments

made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the five calendar years immediately preceding the calendar year in which the national acreage allotment is proclaimed."

(c) By striking out in subsections (a) and (b) the word "ten" wherever it appears and inserting in lieu thereof the word "five."

(d) By inserting in subsection (b) after the words "The State acreage allotment for wheat" the language ", less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section,".

(e) By inserting in the first sentence of subsection (c) after the words "on the basis of" the language "past acreage of wheat,".

(f) By striking out in the second sentence of subsection (c) the words "such county" and inserting in lieu thereof the words "the State".

(g) By striking out in subsection (d) the figure "1940" and inserting in lieu thereof the figure "1950".

SEC. 3. Section 335 (d) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the words "two hundred" and inserting in lieu thereof the figure "400".

SEC. 4. Public Law 74, Seventy-seventh Congress (55 Stat. 203), as amended, is amended as follows:

(a) By striking out in the second sentence of paragraph (2) the language "shall be 50 per centum of the basic rate of the loan on the commodity for co-operators for such marketing year under section 302 of the Act and this resolution." and inserting in lieu thereof the language "on wheat shall be 45 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested,".

(b) By striking out in paragraph (7) the word "fifteen" wherever it appears therein and inserting in lieu thereof the figure "25".

SEC. 5. Notwithstanding any other provision of law, the national acreage allotment for the 1954 crop of wheat shall be not less than sixty-two million acres.

SEC. 6. Sections 1, 2, 3, and 4 of this Act shall become effective with respect to the 1954 and subsequent crops of wheat.

The CHAIRMAN. We have found ourselves in conflict with a session of the Senate this morning, unexpectedly, but we are getting permission from the floor to continue with this hearing. This hearing is of considerable importance to a lot of people, particularly the wheat growers of this country. It appears that with no change at all in existing legislation there will be a drastic reduction in wheat acreage for the coming year under the law as it is now written.

I believe that it is expected that the reduction will be somewhere from 78 million down to possibly 55 million, as the law is now. There have been a great many requests that the Congress consider softening that blow to wheat growers so that it will not all come at once in 1 year. The House has had legislation before their Committee and I believe is taking it up before the full House today.

The other day Senators Young and Schoeppel and myself introduced a bill which we have before us now. As one of those who introduced the bill, I lay no claims to it being perfection itself. It is subject to change if, after hearing the testimony, the committee decides that it should be changed in any way.

Senator ANDERSON. Will the Secretary testify?

The CHAIRMAN. I do not believe so.

Senator ANDERSON. Who from the policy level of the Department will testify?

The CHAIRMAN. I think that Mr. Gordon will testify for the Department, the Administrator of the PMA.

Senator ANDERSON. Is he in position to testify on what the situation was last year and what the situation is this year?

The CHAIRMAN. I hope so. He has some of his assistants with him. Undoubtedly they are more familiar with what went on last year. But before we hear from Mr. Gordon, I am pleased to note the attendance here of Senator Frank Carlson, of Kansas, our largest wheat State. Senator Carlson has a statement which we will be glad to hear at this time.

**STATEMENT OF HON. FRANK CARLSON, UNITED STATES SENATOR
FROM THE STATE OF KANSAS**

Senator CARLSON. Mr. Chairman, I hesitate to impose on the time of the committee. I appreciate very much the opportunity of appearing before the Agricultural Committee in regard to proposed legislation affecting the wheat programs of our Nation.

Wheat is the key to prosperity in many Kansas communities, and these communities which are dependent upon wheat income will be vitally affected by the outcome of bills pending in this committee. I refer specifically to legislation providing for an increase in the minimum national wheat acreage allotment for 1954, or increase in the carryover that would permit the planting of increased acreage above the present authorized minimum and the increase of the wheat acreage on individual farms that would not come under the allotment program.

If we do not change the minimum of the national acreage allotment for the 1954 crop, the acreage must be based on 55 million acres provided under the existing law.

Supplies of wheat available for the marketing year will total 1,740,000,000 bushels, if present crop and carryover expectations are realized. This would exceed the previous record by about 140 million.

The United States has never had to manage such large supplies before. Every effort, of course, must and will be made to move as much of the surplus wheat out of this country as possible, but the immediate problem before Congress and before the wheatgrowers of the Nation is the acreage allotment that must be used in setting quotas for wheat growers for the coming year.

If we do not secure legislation, the minimum of 55 million acres now prescribed in the law would be the governing factor in establishing a national acreage allotment level. In my opinion, this would require a reduction in 1 year of 30 percent, which I believe is more than should be required of the wheat farmers and I have grave doubts that they could accept it.

As we look back over the wheat picture, I think it should be stated that acreage allotments and quotas should have been set last year for this year's crop. A 10 to 15 percent reduction in the acreage allotment last year by the individual farmer would have prevented the present situation.

If and when the Secretary of Agriculture proclaims marketing quotas for wheat and calls for a referendum vote of the producers, the wheat growers are going to be faced with a very difficult situation. Either they accept the 30 percent reduction under existing legislation, or the price support drop to 50 percent of parity or about \$1.20 per bushel.

Everyone must realize that farmers cannot produce wheat at \$1.20 per bushel and the natural tendency would be to vote against quotas, despite the fact that they are necessary in the present economy.

It should be mentioned that many of the smaller producers of wheat, with some 15 to 40 acres, would have the same vote as the grower with larger acreages in the wheat-producing States. One can readily understand how difficult it would be for them to vote for quotas. Therefore, I would urge that the committee increase the present 15-acre exemption to 25 acres.

Mr. Chairman, the present surplus of wheat does make a real problem, not only for the wheat growers, but for the Nation as a whole, and yet I remember the time that a burdensome surplus disappeared rapidly.

Peak demands for United States wheat occurred in 1943, 1945, and 1947. In the war period (1942-45), an average of 425 million bushels of wheat were fed to livestock each year. Since then about 100 million bushels per year have been used as livestock feed. Wheat production expands to meet peak demands. Since then; this one outlet has decreased 300 million bushels—equivalent to over one-fourth of an annual crop.

After World War II, the United States exported large quantities of wheat exceeding 500 million bushels one year. This outlet provided a market to counterbalance the reduced use of wheat as livestock feed. But exports have declined in recent years. Even with the subsidy paid under the International Wheat Agreement (about \$575 million in 4 years) the United States has exported only about 300 million bushels this past year. In the meantime, Canada has increased production. Canada must export wheat. Argentina imported wheat last year for the first time in recent history but has since harvested a large crop, and along with Canada is competing strongly for the export trade.

The long-time average (about 40 years) annual exports from the United States is 180 million bushels. Clearly, United States exports must be maintained, or wheat priced to compete with other grains as livestock feed, or some reduction made in production. It is well to remember, however, that the United States has always been able to use large stocks of wheat accumulated during good crop years to good advantage.

Senator YOUNG. I would like to ask a question of the Senator.

The CHAIRMAN. Senator Young.

Senator YOUNG. Our present carryover as of July 1 is expected to be about 575 million bushels, is it not?

Senator CARLSON. 550 to 575.

Senator YOUNG. That would be approximately 300 million bushels more than we ought to be carrying, I would think, in our present world situation. I wonder if you would agree with my view?

Senator CARLSON. I do agree with it. I well remember when we go back a good many years, to 1914, when we were selling wheat at 60 cents a bushel, we had a very heavy carryover at that time. It was just a matter of a year or two when wheat was a rather scarce commodity because of World War I coming on. Those situations can develop. I do not think it is excessive.

Senator YOUNG. I recall an amendment to an appropriation bill which Senator Anderson and myself, among others, opposed, I believe

in 1948, which provided that we could not export more wheat when we reached a minimum of 150 million bushels carryover.

Senator CARLSON. I wish to state that I think we should carry fairly heavy reserves and we can carry them, and that the adjustment should in my opinion be based either on the increased acreage as proposed in bills before this committee or on the bushelage that is also proposed. I would be willing to abide by the decisions of this committee after you have had your hearings, and I know you will work out the best solution possible.

The CHAIRMAN. I notice that you recommended increasing the exemption for growers from 15 acres to 25 acres. That would affect about a third of the growers in your State, leave them out of the program, and leave them without a vote. Do you think there would be a tendency on the part of the smaller growers in your State to increase their acreage up to the maximum amount permitted if that were done?

Senator CARLSON. These folks who grow 15 acres or thereabouts are people who usually work their wheat into a rotation of crops. I don't think they would necessarily care to increase it except as it fit their crop rotation.

The CHAIRMAN. I think they represent something like 10 percent of your production.

Senator CARLSON. My thought is that wheat quotas must be voted by 66 $\frac{2}{3}$ percent of the growers. That is a very large percentage. If we do not increase this from 15, to 20 or 25 acres, there is going to be some problem in securing quotas this year.

The CHAIRMAN. In Kansas those with 25 acres represent 8 percent rather than 10. North Dakota is even less than that, only about 4 percent.

Senator YOUNG. When I was home about 2 weeks ago I attended a county Farm Bureau meeting. The purpose of the meeting was to determine public opinion on many agricultural issues. At that meeting, attended by about 150 farmers, they took a vote on how many would favor quotas. As I recall there wasn't a hand raised against quotas. The problem we have is in borderline States where farmers have only small acreage, as in the past those farmers ordinarily didn't approve quotas. Wheat producing to them is a sideline.

Senator ANDERSON. Of course raising from 15 to 25 means that the cut has to come on the regular wheat producers. It cuts them pretty hard.

Senator YOUNG. I am not sure whether we should raise it to 25. I am thinking more about 25 acres myself.

Senator CARLSON. I mentioned some acreage increase over 15, to 20 or 25. I think the committee should go into that very thoroughly, and I would urge it to do it, because I know what happens when you do make that cut.

Senator ANDERSON. You cut it right against the regular wheat producers who are doing that for a living.

The CHAIRMAN. Thank you, Senator Carlson. We will hear from the Department on this matter, also from the three major farm organizations which have memberships in the Wheat Belt.

Senator CARLSON. Mr. Chairman, I appreciate very much your letting me put this statement in the record.

The CHAIRMAN. We are glad to have you with us, Senator.

Senator HICKENLOOPER. Senator Carlson, do you notice any tendency this year for wheat farmers to increase their acreage this year in anticipation of probable acreage allotments for next year? In other words, to get their base up?

Senator CARLSON. Of course that is always a problem out in the wheat States and it is one thing we try to protect and preserve, and that is a good wheat base. I will say very frankly that I think the program, when you begin to vote acreage allotments, does have some effect on good rotation systems for that very reason. I do not know. I have not heard of any tendency any different this year than other years. But that is a tendency.

Senator HICKENLOOPER. I think that in some fields of agriculture this year there is some noticeable tendency in some places to increase acreage of crops on the part of certain people in anticipation of there being a cut next year and they will have a broader base and not be cut so much.

Senator CARLSON. Past history will show that farmers who practiced fine rotation systems were penalized when they established a base. But it is unfortunate.

Senator HICKENLOOPER. It is pretty well established that when they cut corn acreage in the 1930's that the farmer went out and bought hybrid in what was desperation and raised more corn on less acres than they had before. Do you think that if we reduce the acreage of wheat that it will drive the farmers into the use of nitrogen and other fertilizers and that we will in effect produce more wheat?

Senator CARLSON. I am not familiar with the corn areas. We have a limited number of counties in Kansas that are in commercial corn areas. On the wheat situation I will say that during the last few years, without quotas, acreage allotments, the farmers have been using hybrids and getting increased yields.

Senator HICKENLOOPER. I understand they have, but many of them have not. After all, it is an expensive process. A good many dollars an acre go into fertilization and there are many who will say rather than hazard X number of dollars per acre, which is very substantial, I will just go on and raise wheat on this acreage. But if they have their allotment cut, there might be a tendency for them to take the chance on fertilizer and actually find out that it will do the business.

Senator CARLSON. I think it is fair to state that fertilizer will increase yields if you have some moisture with it.

Senator YOUNG. In North Dakota, I think there may be some increase in wheat acres this year. I think the reason for it is more the low price of oats, barley, and rye. The average price of oats in my State now is less than 52 cents a bushel. The last quotation I saw of rye was \$1.07 a bushel. Barley is selling for considerably less than \$1 a bushel, largely because of importations from Canada. Those crops are no longer profitable to raise so they have to shift to something else.

Senator HICKENLOOPER. I am not making any claims one way or another, but I am raising the question that unless acreage is cut very, very drastically you are apt to end up with an increased enforced use of fertilizer and therefore more bushels at the end of the season.

Senator CARLSON. With improved tillage and fertilizers and good management, yields can be and have been increased.

Senator MUNDT. In Senator Carlson's prepared statement, had he given any consideration to the possible impact of this very serious drought in the southwestern part of the country to this quota?

Senator CARLSON. Of course, we in Kansas, the last official estimate in Kansas this year is 112 million bushels of wheat. Last year we produced 308. So we have already suffered quite a serious reduction this year. Unless we get moisture to build up our subsoil moisture, which is one of the determining factors in the yield next year, we, of course, will produce another short crop next year.

Senator MUNDT. I notice in the morning papers there are some statistics showing a very substantial—I think about a 50 percent—decline in the prospective wheat crop of Texas because of the drought.

The CHAIRMAN. I think that is true. Apparently the increased estimate in the crop comes from the splendid condition in the States east of what we think of as the Wheat Belt, and also the increased planting in the spring wheat.

Senator YOUNG. There is not so much planting in the spring wheat area but very favorable conditions. I think the forecast for North Dakota this year is around 150 million bushels which is about 50 million bushels over a year ago.

The CHAIRMAN. I think Ohio, Indiana, and Michigan, which put together are heavy producers, have a good crop this year.

Senator MUNDT. Do the estimates give recognition to the current status of the drought in the Southwest?

The CHAIRMAN. I understand so. The other day when we were considering disposing of 37 million bushels of wheat to Pakistan, the BAE came up with an estimate of 92 million bushels in the crop.

Senator ANDERSON. You can't give it away as fast as it grows.

The CHAIRMAN. We have competition in giving it away.

Senator WELKER. Can we not have inserted in the record at this point the amount of our holdover grains that we have now in storage?

The CHAIRMAN. I think Mr. Gordon and his assistants who are with him have the data in that respect.

Senator WELKER. As I recall it, Senator Anderson, check me if I am wrong—

The CHAIRMAN. We will have it in the record, Senator Welker.

Senator WELKER. That million tons, if taken out, you would not know it was taken out of the bins.

Senator CARLSON. I appreciate your kindness, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Carlson.

Mr. Howard H. Gordon, Administrator, Production and Marketing Administration, is the next witness.

STATEMENTS OF HOWARD H. GORDON, ADMINISTRATOR, PRODUCTION AND MARKETING ADMINISTRATION; LIONEL C. HOLM, EXECUTIVE ASSISTANT TO THE ADMINISTRATOR, PMA; THOMAS B. WALKER, HEAD, PROGRAM ANALYSIS DIVISION, GRAIN BRANCH, PMA; AND JOHN C. BAGWELL, HEAD, PRODUCTION AND ADJUSTMENT DIVISION, OFFICE OF THE SOLICITOR, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. GORDON. Thank you, Mr. Chairman, and members of the committee. I regret very much that neither the Secretary nor Mr. Davis could appear before the committee this morning because of the pres-

sure of drought-relief problems that they are under at the moment. It fell to my lot to present the Department's position before the House Agriculture Committee sometime back, so they asked me to take the assignment again this morning.

In the interest of securing prompt and accurate answers, I should like very much to have seated with me members of my staff, if I may, because as you realize this is a very highly technical proposition and you can't hope, in 5 months, with all the problems that you have in addition, to absorb all of those details.

I would like to have my executive assistant, Mr. Holm; Mr. Walker, of the grain branch; and Mr. Bagwell, of the solicitor's office, here with me to take care of those questions, if I may.

The CHAIRMAN. Will you gentlemen come forward?

Mr. GORDON. I have a prepared statement which in some respects is identical to the one I presented to the House Agriculture Committee. In other respects it differs somewhat. If I may I should like to read that statement. I have no objection to interruptions at any time, if you have questions to ask.

The CHAIRMAN. Will you proceed with your statement?

Mr. GORDON. I will start out with definitions. Subsection (a) of section 1 of the bill—

Senator ANDERSON. I regard this as an analysis of the bill. Can't we have a statement from the Department as to what they think of the bill? This is an analysis of the bill. I read this.

Mr. GORDON. This is more than an analysis of the bill, Senator Anderson. It is the Department's position with respect to the bill.

Senator ANDERSON. All right.

The CHAIRMAN. Will you proceed?

Mr. GORDON. Subsection (a) of section 1 of the bill would change the definition of "national average yield," as applied to wheat, to provide that such national average yield shall be based on the national average yield per acre of wheat during the preceding 5 calendar years instead of 10, with adjustments only for abnormal weather conditions. This change would facilitate the determination of the national average yield on a basis which would more realistically reflect the current geographic pattern of wheat production. It is not expected that the national average yield so determined would be appreciably different from a determination based on a 10-year period. The use of a 5-year period would eliminate the need for making adjustments for trends in yield and would be consistent with provisions of the bill for apportioning the national acreage allotment among States and counties on the basis of a 5-year period. It would also bring these determinations for wheat in line with cotton, rice, and peanuts.

Subsection (b) of section 1 of the bill would change the definition of "normal yield" for any county, in the case of wheat, to provide that such normal yield be determined on the basis of the average yield per acre during the preceding 5 calendar years instead of 10, with adjustments only for abnormal weather conditions. This change is considered necessary in order to more accurately reflect the productivity of the county in relation to current farming operations and to place the determination of county normal yields on a comparable basis with the determination of the national average yield. As changed, the term "normal yield" for any county, in the case of wheat, would become uniform with that already established for cotton, peanuts, and rice.

Subsection (c) of section 1 of the bill would change the definition of "normal yield" for any farm, as applied to wheat, to provide that such normal yield be determined on the basis of the average yield per acre during the preceding 5 calendar years instead of 10, with adjustments only for abnormal weather conditions.

This change is considered necessary, even more so than for the national average yield and the county normal yield, in order to more accurately reflect the current state of productivity of the farm in relation to current farming operations and to place the determination of farm normal yield on a comparable basis with the determination of county normal yields. As changed, the term "normal yield" for any farm would become uniform for the commodities cotton, wheat, rice, and peanuts.

Apportionment of national acreage allotment: Subsections (a) and (b) of section 2 of the bill provide for the establishment and apportionment of a national acreage reserve not to exceed 1 percent of the national allotment.

Based on past experience it has been found that there is a definite need for a reserve acreage for apportionment to counties in addition to the regular county allotments.

This reserve is needed primarily because of the short history of many farms in reclamation and other new areas where the acreage of wheat has expanded rapidly in recent years.

The establishment of such reserve would permit the alleviation of inequities by administrative action, which in the past has required special legislation such as Public Law 272, 81st Congress.

Subsection (c) of section 2 of the bill would change the base period for apportioning the national and State acreage allotments among States and counties from 10 years to 5 years. The use of a 5-year base period would be more representative of the geographic pattern of current wheat production operations. The effect of using a 5-year period would be to obtain a more equitable apportionment of the national allotment consistent with the wheat production pattern established subsequent to the period in which abnormal production shifts were induced by wartime conditions.

Senator YOUNG. Mr. Chairman.

The CHAIRMAN. Senator Young?

Senator YOUNG. May I ask a question or two? I am not too familiar with the bill introduced in the House by Congressman Hope.

Are the conditions thus far read the same as the House?

Mr. GORDON. The same as the House.

Senator MUNDT. Mr. Gordon, when you come to the different provisions, if there are different provisions, would you explain those as you go along where they are different from the House, the so-called Hope bill.

The CHAIRMAN. This wording is the same as was introduced in the House, but as I understand it, not as it came out of the House. The House changed the 5-year period back to 10.

Mr. GORDON. I stand corrected. That is true.

Senator YOUNG. They changed it back to 10?

Mr. GORDON. Yes, sir.

Senator MUNDT. All the way through or just as far as the individual farms are concerned?

Mr. GORDON. All the way through they changed it back to 10.

Mr. BAGWELL. All references to 5 years were changed back to 10.

The CHAIRMAN. Can you explain to the committee the reasoning back of that change? The reasoning for making it 5 years in the first place and then changing it back to 10 in the committee?

Mr. GORDON. I think Mr. Holm can come nearer to answering that than any of us.

Mr. HOLM. I think to put it very bluntly, Mr. Chairman, the original intent was, as we have indicated in our testimony here, that feeling that putting it on a 5-year basis would bring the distribution of the national acreage allotment within the Nation on a more nearly current basis and would more nearly reflect the current pattern of production.

Senator ANDERSON. Do you recall why it was put on 10 years in the first place, in contradiction to other crops that are on a 5-year basis?

Mr. HOLM. No, sir, I do not.

Senator MUNDT. You can tell us, can't you?

Senator ANDERSON. Because wheat production had been pretty high for a few years and they dropped it to 10 in order to change the picture.

Is that not correct?

Mr. BAGWELL. That would sound logical.

Senator ANDERSON. Where in these proceedings, Mr. Chairman, will we get to the question that Senator Carlson raises in his statement?

Senator Carlson said, and I agree with him thoroughly:

I think it should be stated that average acreage allotments and quotas should have been set last year for this year's crop. A 10 or 15 percent reduction in the acreage allotment last year by the individual farmer would have prevented the present situation.

The CHAIRMAN. That is not discussed in your statement, is it, Mr. Gordon?

Mr. GORDON. No, sir.

Senator ANDERSON. The whole question has to be discussed sometime as to what we are going to do next year, how we got into trouble last year. It is this very question. I read this statement through and thought it was merely an analysis of the bill. It does not recommend for or against the bill, does it?

Mr. GORDON. It does.

Senator ANDERSON. Where does it recommend?

Mr. GORDON. It recommends for these items.

Senator ANDERSON. That the bill be passed?

Mr. GORDON. Yes, sir.

Senator ANDERSON. That would very substantially liberalize the wheat situation.

The CHAIRMAN. Without change, Mr. Gordon?

As to the question you raised, it is not covered in Mr. Gordon's statement. It is pertinent. It seems to the Chair that no better time to take the matter up can be had than right now while the other members of the committee are present.

Senator ANDERSON. Mr. Gordon, the reason I raise this question right now is that on the 14th day of May, after discussion had been held here in this committee, I sent the Secretary of Agriculture a letter—this is my own copy—which I would like to put in the record at this time.

The CHAIRMAN. What is the nature of it?

Senator ANDERSON. I pointed out that I had been reading the Federal Register of Tuesday, June 24, 1952, at which time it was decided there would not be wheat quotas. Chapter VII of that is the decision not to establish farm acreage allotments for the 1953 wheat crop. I asked:

Do the records in the Department indicate the scope of the investigation that was required by the law, the personnel employed in it—

I mean who did the job of deciding that we did not have to have it—the figures obtained by it on which this discretionary action was taken? Will you please tell me where I can find out about the investigation and what material is carried now in the files of the Department of Agriculture with reference to it?

I would like to have that in the record.

The CHAIRMAN. Without objection.

(The document referred to above is as follows:)

MAY 14, 1953.

Hon. EZRA T. BENSON,

Secretary of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: I have been reading page 5633 of the Federal Register for Tuesday, June 24, 1952.

In it as chapter VII there is the decision not to establish farm acreage allotments for the 1953 wheat crop.

The item quotes section 335 of the act with reference to the requirement for proclaiming a national marketing quota and requires the Secretary not later than July 15 of each marketing year to ascertain and proclaim the total supply and the normal supply of wheat for such marketing year.

It then quotes section 371 (b) of the act authorizing the Secretary of Agriculture to dispense with marketing quotas or acreage allotments when he finds certain things to be true, which I need not repeat here.

The item recites that pursuant to section 371 (b) an investigation was made to determine whether marketing quotas should be proclaimed and on the basis of that investigation it was found that marketing quotas should not be proclaimed for the 1953-54 marketing year.

Do the records in the Department indicate the scope of that investigation, the personnel employed in it and the figures obtained by it on which the discretionary action was taken? Will you please tell me what I can find out about the investigation and what material is carried now in the files of the Department of Agriculture with reference to it?

Sincerely yours,

CLINTON P. ANDERSON.

Senator ANDERSON. I received on June 12 an answer from True D. Morse as Acting Secretary, which I would like to have in the record at this time.

The CHAIRMAN. Do you want to give us the nature of the reply?

Senator ANDERSON. It does not answer my question at all. It tells that they did not make a study. I will read it.

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., June 12, 1953.

Hon. CLINTON P. ANDERSON,

United States Senate.

DEAR SENATOR ANDERSON: This is in reply to your letter of May 14 relative to the Department's decision not to establish farm acreage allotments for the 1953 wheat crop.

The records of the Department indicate that prior to issuing the proclamation dispensing with marketing quotas and acreage allotments on the 1953 crop of wheat, the Production and Marketing Administration made a comprehensive study of the supplies and requirements of wheat for the 1952-53 and 1953-54 marketing years. This study indicated that the imposition of marketing quotas and acreage allotments would have resulted in a national wheat acreage allot-

ment for 1953 of 65.5 million acres which would have been about 6.5 million acres below the indicated acreage needed to produce an amount of wheat adequate to meet estimated domestic and export requirements in 1953-54 and to maintain a relatively large reserve of carryover supplies for meeting unforeseen emergencies. The 72 million acres of wheat determined as needed in 1953 represented an acreage which was from 3.5 to 5 million acres below the range of wheat acreages recommended by State agricultural mobilization committees under the 1953 production goals program.

The records also indicate that at the time the proclamation was issued, exports of wheat were being maintained at a relatively high level and that there was an apparent need for maintaining reserve supplies of wheat sufficiently large to meet unpredictable situations arising from a continuation of hostilities in Korea and unsettled political conditions elsewhere in the world.

The supply and requirement figures used in determining the wheat acreage needed in 1953 were determined by a departmental supply estimates committee which is composed of specialists from various agencies of the Department whose activities are in the field of either production or utilization of wheat.

The records also contain a statement of economic justification which was submitted in support of the proclamation, including the accompanying memorandums from the Production and Marketing Administration and the Office of the Solicitor of the Department. These records can be made available for inspection by you or your representative, if you so desire.

Your interest in the production adjustment programs for wheat is appreciated, and if I can be of further service to you please feel free to call upon me.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

Mr. Chairman, I think this is a very serious situation. All the farmers are in trouble with wheat now, and the Government is in trouble with wheat now because we did not face up to this thing last year, and I am afraid we are not going to face up to this this year.

Mr. GORDON, is it not a fact that last year we had 77 million acres planted?

Mr. GORDON. That is right.

Senator ANDERSON. As a goal. We actually had 78 million acres planted.

Mr. GORDON. About 78.

Senator ANDERSON. Did the calculations of the Department not show that only 54 million acres were needed to be planted?

Mr. GORDON. I will have to ask Mr. Walker to answer that. Is that true?

Mr. WALKER. For 1953?

Mr. GORDON. Yes.

Mr. WALKER. It was indicated at 72 million.

Mr. ANDERSON. I will produce figures from the Department's own statistics which show that 54 million acres were required. Will you produce the figures? You start with domestic consumption, do you not, the domestic supply of last year, the consumption of last year? The 1951-52 domestic consumption figure was 715 million bushels.

Mr. WALKER. Domestic consumption adjusted to normal.

Senator ANDERSON. Plus the export for 1952-53. That is what the law requires. Nothing about normal, but 1952-53.

Mr. WALKER. You are still speaking of acreage allotments?

Senator ANDERSON. I am starting to find out whether you need to put on marketing quotas. There is a difference between the two as you well recognize.

Mr. WALKER. That is right.

Senator ANDERSON. You first have to determine whether you need marketing quotas and then you determine the amount of the acreage allotment; is that correct?

Mr. WALKER. That is not correct.

Senator ANDERSON. What is the difference? I say it is correct. We will find out. I have the law with me in case you want to see it.

Mr. WALKER. The proclamation of marketing quotas is based upon normal supply. Normal supply is defined under the law as the domestic consumption prior to the year for which normal supply is being determined, plus the exports for the year for which normal supply is being determined, plus a reserve, 15 percent, for carryover.

Senator ANDERSON. I do not believe you understood my question. I said to you that in calculating the desirability of marketing quotas you used one set of figures. You use another set of figures when you come to make acreage allotments.

Mr. WALKER. That is right.

Senator ANDERSON. You said it was not just a moment ago.

Mr. WALKER. I misunderstood you.

Senator ANDERSON. I thought so.

Mr. WALKER. Marketing quotas are based upon normal supply. Acreage allotments are based upon a different provision of law.

Senator ANDERSON. That is exactly what I said.

Mr. WALKER. I beg your pardon. I misunderstood you.

Senator ANDERSON. The domestic figure for 1951-52 is 715 million bushels. If any member of the committee will put these things down, he will see what this comes to. That is 715 million bushels. Right or wrong?

Mr. WALKER. That is right.

Senator ANDERSON. Then the export was 375 million bushels?

Mr. WALKER. As estimated at that time.

Senator ANDERSON. That totals 1,090,000,000 bushels. To that you add 15 percent. You agree to that?

Mr. WALKER. Yes, sir.

Senator ANDERSON. That adds 163 million bushels?

Senator HICKENLOOPER. Sir?

Senator ANDERSON. One hundred and sixty-three million bushels. Fifteen percent of 1,090,000,000 bushels. That makes a total of 1,253,000,000 bushels.

Mr. WALKER. That sounds right.

Senator ANDERSON. To that you add 20 percent leeway in establishing marketing quotas. That adds another 251 million, which gives you 1,504,000,000 bushels as your total requirements. Your estimated carryover by the statistics of the Department of Agriculture on July 1, 1952, is 248 million bushels. The estimated production of 1952 is 1,326,000,000 bushels. You would estimate imports of 30 million bushels, or a total of 1,604,000,000 bushels. So that your supply percentage was greater than the requirements and marketing quotas would indicate.

Mr. WALKER. That is right.

Senator ANDERSON. When they were indicated you come to the acreage allotment. The normal 10-year adjusted domestic consumption was 720 million bushels. Do you recall whether that is about right?

Mr. WALKER. That sounds about right.

Senator ANDERSON. The export was 415 million bushels, which was exceptionally high because we didn't export anything like that last year.

Mr. WALKER. Please remember that these determinations you are making now are based upon 10 preceding years, adjusted for trends.

Senator ANDERSON. I realize that. That included 1946, 1947, 1948, when we were exporting 500 million bushels, and so forth, of wheat. So I say it is abnormally high. I am not questioning the requirement to use it. That is 415 million bushels. That makes a total of 1,135 million bushels. You use a 30 percent carryover factor, do you not?

Mr. WALKER. That is right.

Senator ANDERSON. That is 341 million bushels, or a total of 1,476 million bushels. That is the total need. From that you subtract the carryover indicated as of July 1, 1953, and that was 494 million bushels. So the production needed was actually 982 million bushels. Are we still together?

Mr. WALKER. Under the allotment.

Senator ANDERSON. That is right. Under the allotment. There are two ways of figuring now. The law says you shall take out first this carryover and then it says you shall take out feed and seed wheat. If you take out feed and seed wheat that is 170 million bushels, you would come down to an allotment of 54 million acres. But leave that out for the moment. The national average yield we figured at 15 billion bushels, and you and I know it is higher than that. That requires an acreage allotment of 65 million acres. So that the allotment to the farmers of this country would have been 65 million acres if you did not follow the law; if you did follow the law and deducted feed and seed wheat the allotment would have come down to 54 million acres. We planted 78 million acres, and those 24 million acres produced 350 million bushels of wheat which is about the amount we have in excess of good housekeeping requirements, as the Senator from North Dakota pointed out. So we are in trouble solely because of failure to follow the law last year. Is that right?

Mr. WALKER. I would like to ask a question about the deduction of the 170 million for feed and seed.

Senator ANDERSON. I am reading from page 44 of the compilation as of January 1, 1953, from the Department of Agriculture, with which Mr. Bagwell is very familiar. It says: "The amount of the national marketing quota for wheat shall be equal to a normal year's domestic consumption"—that is 720 million bushels—"and export"—that is 415 million bushels—"plus 30 percent thereof"—that is when we added the 340 million bushels—"less the sum of (1) estimated carryover"—which was 494 million bushels—"and (2), the estimated amount of wheat which shall be used on farms for seed or livestock feed during the market year."

Senator HICKENLOOPER. What is that figure?

Senator ANDERSON. 170 million bushels.

Mr. WALKER. The 170 million that you speak of there, I believe, are exempted from marketing quotas as such.

Senator ANDERSON. Why?

Mr. WALKER. That is what you were reading, marketing quotas provisions. In determining the requirements on the acreage allotments this is not deducted—

Senator ANDERSON. We went all over that just a minute ago. There are two sets of figures to be used. We have used the set of figures that produces the requirement for marketing quotas. Now, having had the marketing quotas established, we now come to the set of figures

that you use in making the acreage allotments. In that do you have to take off feed and seed? Is that not correct, Mr. Bagwell?

Mr. BAGWELL. Senator Anderson the national acreage allotment is computed in the manner which you have just indicated, but since the passage of Public Law 74, which was in the 77th Congress, we have never set a national marketing quota in bushels, because the Congress put quotas on what we call the farm marketing excess basis, and the national quota is the total production from the acreage allotment. Therefore, we regard the provision which you referred to there, section 335 (b), as having been superseded and included it in the compilation only for the reason that the Congress has never repealed it. Public Law 74 says notwithstanding any other provision of the act you do it this way. Therefore we have never proclaimed a national marketing quota in terms of bushels under that provision, which would have required us to make these deductions. The reason for that was, as you may recall, when the law was first passed, we set the acreage allotment in July for the crop that was to be seeded shortly thereafter and harvested the following year, but we did not decide whether to have quotas until the crop was almost ready for harvest.

The CHAIRMAN. Mr. Bagwell, did you not know that the allocations, the goals set last year, would produce an excessively large amount of wheat?

Mr. BAGWELL. Oh, yes, I presume so.

The CHAIRMAN. Didn't anyone in the Department know that?

Mr. BAGWELL. Oh, yes.

Senator ANDERSON. Regardless of what you are saying here, if you had deducted what the law requires here—and I may say that there may be a conflict, and that is why I said there are two alternatives—if you had followed the law strictly, I think you would come out with 54 million acres. The goal of the Department was 77 million acres.

If you did not take off the feed and seed wheat, the requirement was 65 million acres, and the goal of the Department was 77 million acres. In other words, the Department asked for 12 million acres more than it knew it could use, and 12 million acres at 15 bushels to the acre is 180 million bushels that you got in your surplus that you knew you were going to have there.

Mr. WALKER. Senator Anderson, you speak of the productive goal established by the Department?

Senator ANDERSON. That is right.

Mr. WALKER. It was 72 million acres.

Senator ANDERSON. The 1952 goal?

Mr. WALKER. Excuse me. I thought you were talking about the 1953 crop.

Senator ANDERSON. No, the 1952 goal. That is what you used in connection with this. The 1952 goal, 77,187,000 acres.

Mr. WALKER. That is right.

Senator ANDERSON. The actual 1952 planted was 78,200,000. So I am saying to you that 78,200,000 contrasted to 54,100,000 that we were going to need under the law, gave us 24,100,000 extra acres of wheat, and, applying only the 15 million bushels, which is below what it actually is, the actual 1952 was 18.3 bushels.

We had 24 million acres that we did not need that produced 18 times 24. That gave you 432 million extra bushels of wheat. If we had not had those extra 432 million bushels of wheat the wheat farm-

ers of this country would not be facing this drastic cut that Senator Carlson mentioned.

I am not trying to blame you or criticize you for it. As a result of this administrative decision not to have quotas in 1952 for a 1953 crop gave us 400 million bushels of wheat that we had not a market for.

The CHAIRMAN. Was a particular effort made to avoid wheat quotas last year?

Mr. BAGWELL. The wheat quotas were called off under the emergency provisions of the Act.

Senator ANDERSON. What emergency was there that required the production of 450 million bushels that the farmer could not possibly sell?

Mr. BAGWELL. I was merely pointing to the authority in the law. The factual statement was in the docket.

Senator ANDERSON. That it is. The factual statement is in the docket. It says that you made studies and determinations. That is why I sent the Department of Agriculture a letter to see what was in the record that would indicate what those determinations were.

You say the records contain a statement of economic justification which was submitted in support of the proclamation, including the accompanying memoranda from the Production and Marketing Administration and the Office of the Solicitor of the Department.

Mr. BAGWELL. That was not published. As you recall, it is not required to be published in the Federal Register. It is in the docket.

Senator ANDERSON. That is what I asked for in my letter and the letter from the Department of Agriculture said those things existed. But they could have been supplied, also.

Mr. BAGWELL. They exist. I saw them.

Senator ANDERSON. I know they exist.

The CHAIRMAN. I would like for clarification to ask Mr. Bagwell: Who determined the existence of an emergency which necessitated the overproduction of the wheat crop?

Mr. BAGWELL. Section 371 (b) under which this action is taken requires an investigation, and that—

The CHAIRMAN. Who determined the emergency?

Mr. BAGWELL. The Secretary. The law requires the Secretary to make that determination on the basis of his investigation.

The CHAIRMAN. You mean the law required him to find an emergency?

Mr. BAGWELL. No, sir; oh, no.

Senator MUNDT. Permits him.

Mr. BAGWELL. That is right—permits him. Permits him to suspend quotas and acreage allotments if, after investigation, he finds there is an emergency condition.

Senator ANDERSON. Mr. Bagwell, that is exactly why I wrote the Department. I wanted to know who made the investigation. Do you happen to know?

Mr. BAGWELL. I do not know who made it.

Senator ANDERSON. It would come out with exactly the figures that I have used. Every figure I have is taken from the Department of Agriculture's statistics that were available at that time.

Those figures indicated we needed 54 million acres, and on the basis of that, the Department proclaimed a goal of 77 million acres. The reason I am interested in this—I have been interested in it for a long

time, but the Senator from Kansas, the distinguished Senator Carlson, in his statement this morning, said that the acreage allotments and quotas should have been set last year for this year's crop.

I have tried to supply the figures that prove the correctness of that statement.

The CHAIRMAN. Senator Anderson, Mr. Walker and Mr. Bagwell were keymen in this grain branch last year. I suggest that we ask them if they made the investigation which resulted in the finding of an emergency, or had any part in it.

Mr. BAGWELL. I am in the Solicitor's office.

Mr. WALKER. I assisted in the studies and the investigation.

The CHAIRMAN. You found there was an emergency?

Mr. WALKER. The work that was done in conducting the studies to determine what the situation was, as I recall, indicated that for some 2 or 3 years we were going down on our reserve supplies. In fact at the time the docket was submitted an estimate was made at that time that the carryover of wheat on July 1, 1952, would be 248 million bushels.

It turned out to be 256 million.

The CHAIRMAN. What was that figure?

Mr. WALKER. 256 million bushels.

Senator ANDERSON. The carryover was how much?

Mr. WALKER. It was estimated at 248 million bushels, but it actually turned out to be 256 million. I believe that is a correct figure.

The CHAIRMAN. Who asked you to make the investigation?

Mr. WALKER. The Secretary.

The CHAIRMAN. The Secretary himself asked you to make it?

Mr. WALKER. The Secretary——

The CHAIRMAN. It did not go through channels?

Mr. WALKER. Those are all decisions to be made by the Secretary of Agriculture.

The CHAIRMAN. He asked you himself?

Mr. WALKER. Well, I do not——

Mr. GORDON. Did he ask you through channels or not?

Mr. WALKER. Through channels, certainly.

The CHAIRMAN. What were the channels?

Mr. WALKER. It goes down through the PMA Administrator, to the grain branch.

The CHAIRMAN. Who is director of the grain branch?

Mr. WALKER. Mr. Watson.

The CHAIRMAN. Mr. Watson?

Mr. WALKER. He was the director. He no longer is.

The CHAIRMAN. Who is the PMA Administrator?

Mr. WALKER. At that time?

The CHAIRMAN. Yes.

Mr. WALKER. Mr. Gus Geissler.

The CHAIRMAN. Who was the Secretary?

Mr. WALKER. Mr. Brannan.

The CHAIRMAN. That is all.

Senator YOUNG. May I ask a question?

The CHAIRMAN. Senator Anderson has a question. Will it interfere with your continuity?

Senator ANDERSON. No. I want to find out if you are taking the figures into consideration when you contemplate what is going to come

on in 1953. As I understand, you are about to testify in behalf of legislation that will greatly increase the amount of wheat we are going to have this year over what the law requires. I would like to go into those figures.

Mr. GORDON. Let's hold the decision on that until we get to the last page of my testimony, if you do not mind, sir.

The CHAIRMAN. Senator Young?

Senator YOUNG. I want to make this observation, and ask a question. It is true that the wheat farmers of the Nation would have been better off now had we had a reduction in the wheat acreage last year.

I am wondering, however, what would have happened if we had found ourselves with a poor crop year, less wheat, and a spread of the Korean war which was possible then and is possible now. What would our situation be?

Mr. WALKER. That was a further statement that I wanted to make, Senator. At the time these studies were made on the wheat situation, we were in open warfare in Korea.

The CHAIRMAN. Police action, officially.

Mr. WALKER. Excuse me.

The CHAIRMAN. I think open warfare has been definitely, frequently, and decisively denied.

Mr. WALKER. We were in hostilities. The whole international situation was such that the Secretary himself, in making his decision not to have the acreage allotments on the 1953 crop of wheat, took into account the possibility that this international situation might break open and there was a need for building up reserve supplies.

Remember, those reserves had declined to two hundred and fifty-odd million bushels. Because of the international situation, and because of his responsibility under the emergency provisions of section 371 (b), it was the Secretary's decision, and he made it himself, that no acreage allotments or marketing quotas would be proclaimed on the 1953 crop, even though we were in a marketing quota position.

The CHAIRMAN. Mr. Walker, were we in any less emergency than we were the year before? Last year?

Mr. WALKER. I would not say that we were.

The CHAIRMAN. Are we in a less emergency now than we were last year?

Mr. WALKER. We have huge supplies of wheat. I do not believe we could say we have any national emergency with respect to wheat under any consideration.

The CHAIRMAN. The world situation, as you see it, is it such as to warrant any change from the action we took last year?

Mr. WALKER. In my opinion, it was a mistake to have called off acreage allotments in 1951. If we had gone through with acreage allotments, as Senator Anderson said, as provided by law, we would not have had this situation as it is now. But allotments were called off.

Senator ANDERSON. I could not agree with you more. The only thing that I am trying to get to is we are not going to help it by now plunging the farmer into more trouble because the presence of hundreds of millions of bushels of wheat overhanging the market cannot do anything but cause trouble for the American farmer in my opinion.

So I want to go to 1953. I have here a publication called the Wheat Situation, BAE—Bureau of Agricultural Economics—report

for June 1953, which is marked for release June 25, a. m. That is today. So this is the latest that you can possibly have, is it not?

Mr. WALKER. Yes, sir.

Senator ANDERSON. The normal supply as given in this publication, I am trying to figure now the need for marketing quotas, is 670 million bushels. You must have a copy of this probably with you.

Mr. WALKER. Not with me.

Senator ANDERSON. It is all here, 670 million bushels for 1953. The exports are listed in this publication for 1953-54 as 315 million bushels. That makes 985 million bushels plus 15 percent carryover allowance; 148 million bushels, or 1,133,000,000 bushels.

Mr. WALKER. For normal supplies.

Senator ANDERSON. That is right. Plus 20 percent for housekeeping, 227 million bushels, makes a total of 1,360,000,000 bushels that we may need. The supply picture is, carryover estimated July 1, 1953, 580 million bushels.

Mr. WALKER. That is right.

Senator ANDERSON. Plus production in 1953, now estimated at 1,132,000,000 bushels.

Mr. WALKER. That is right.

Senator ANDERSON. Plus imports of 5 million. The only way you can get that is because you have a total figure of supply of 1,117,000,000 bushels. Or a total supply of 1,717,000,000 bushels.

That is the figure you carry that is 1,717,000,000 bushels so you know that if the total supply is 1,717,000,000 bushels, and the need is 1,316,000,000, that we will have to have acreage allotments. That would dispose of that question would it not?

Mr. WALKER. Yes, sir.

Senator ANDERSON. The 10-year average consumption is 715 million bushels. Plus the average of 10 years on exports, 360 million bushels. That makes a total of 1,075,000,000 bushels. Is that right?

Mr. WALKER. That is right.

Senator ANDERSON. Thirty percent of that is 323,000,000 bushels.

Mr. WALKER. Acreage allotment provisions call for that.

Senator ANDERSON. Less the carryover of 732 million bushels estimated for July 1, 1954. Right?

Mr. WALKER. I am with you, but I do not quite agree with that carryover figure.

Senator ANDERSON. Take the figure that you have given here of 1,717,000,000 bushels and subtract from it all you expect to use and all you expect to export, carrying these items, and it comes out to 732.

Mr. WALKER. Could I call your attention to the fact that the 670 is for the 1952—

Senator ANDERSON. Does wheat consumption vary much in this country?

Mr. WALKER. Feed fluctuates up and down.

Senator ANDERSON. If you take a 20-year average, would it not move along on a line pretty near as straight as you can make it.

Mr. WALKER. About 700 million.

Senator ANDERSON. That would not worry me a great deal. Six hundred and seventy was the figure. It may be this year. It has been staying at around that figure. So that actual production needed is 666 million bushels.

Mr. WALKER. You are not far off.

Senator ANDERSON. The average yield being 15 bushels to the acre, the average acreage allotment is 44 million acres. Is that what we would have to allot, 44 million acres? I think, Mr. Chairman, that is what we need to bear in mind. When they start talking about allotting 65 million acres, as this report may do—

Senator MUNDT. Sixty-two million.

Senator ANDERSON. As against 44 million, you are only asking to take another 20 million acres and add 300 million more bushels to the carryover, thereby trying to sink the farmer deeper and deeper into trouble.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. The international situation being what it is, wouldn't that give some justification for planting more wheat than if we were at peace or in normal conditions?

Senator ANDERSON. Yes; except I would say it was that international situation that got the Department off last year, and got them into a production of 400 million bushels.

The CHAIRMAN. I think we have to consider a world surplus, too, at the present time, as well as a domestic surplus.

Senator ANDERSON. In addition to that, Mr. Gordon, the actual average production from 1941 to 1950 has been 17.2 bushels per acre. Last year it was 18.3 bushels per acre.

So if you divided this required 666 million bushels by the 17-million figure, you would come to less than 40 million acres of wheat required. Is that right or wrong?

Mr. WALKER. I believe you must be using yields on a harvested basis.

Senator ANDERSON. Yes.

Mr. WALKER. I have here figures which indicate that for the 5-year period 1948-52, average yield is 14.6 on a planted basis. The 10-year is 15.4.

Senator ANDERSON. I am sure your own publication shows it is 17.2. However, that can be supplied later on. I can bring you the wheat situation, your own, and your agricultural statistics book from which I have taken the figure of 17.2.

Mr. WALKER. That is correct. But they have two published figures. One is on a harvested basis and the other yield is on a planted basis.

Since your allotment would be based on seeded acreage of wheat, you would have to use the yield based upon the planted acreage. I believe you have the harvested yields.

Senator MUNDT. What would you get if you divide by 14?

Senator ANDERSON. 44 million acres—44.4 million acres. If you take this section of the law that Mr. Bagwell talked about a minute ago, they say feed will be about 115 million bushels and seed 90 million bushels. Subtract that. That is 66 million. You would come out way, way down to 35 million bushels of wheat as all we would actually require.

Senator YOUNG. If you keep on figuring, Senator Anderson, we won't have to plant any wheat at all next year.

Senator ANDERSON. Let me say that what he said is just about right, that you are going to carry over 750 million bushels of wheat and you will only use about 670 million bushels of wheat in the country.

We have export requirements, but bear in mind that we wrote this law a long time ago, and we have brought it up to date and amended it.

This is what is required. While I would never, Senator Young, recommend a quota of 44 million acres, while I would never recommend going below the 55 million acres carried in the present law, I am merely trying to point out that the minimum set by the present law is going to add 10 million acres of wheat more than we need to produce what we actually require for domestic and for export.

Senator YOUNG. If we actually get down to 44 million acres we would probably have \$5 or \$4 wheat again. That would be good for the farmers and they would make more money out of that than with the production at the present time.

Senator ANDERSON. Of course, they would make more money out of 44 million acres than out of 70 million acres.

What I am trying to do is to get down to a realistic figure so that the farmer will make money out of his wheat. There is only one reason in the world why a tobacco allotment is so valuable in the tobacco country, and that is that if they do control it and get it up to where a man gets rich by just a small strip of tobacco, he can say, "I have a tenth of an acre allotment, that is pretty good."

The CHAIRMAN. What you are pointing out, the inference I get from that, Senator Anderson, is that if the obvious intent of the Congress had been followed last year, that we would not be in this predicament now.

Senator ANDERSON. I have been trying to say that you have to face up to these things some time. I think that last year we got some millions of acres of wheat more than we needed, and that producing even 15 bushels per acre that gave us the 300 million bushels extra.

If we had those 300 million bushels out of the present supply situation we would not have to be putting in quotas maybe this year, and the farmer would not be marketing wheat at mighty good prices. I don't mind the wheat farmer getting good prices, but the American consumer is not any better off by dropping down to 44 million bushels because he will pay, as the Senator from North Dakota said, \$3 or \$4 a bushel for his wheat.

We would be much wiser to let the farmer have an acreage allotment of 55 million acres, and maybe some more, than to come down to 44 million acres.

Senator YOUNG. Senator Byrd told me awhile back that if the apple producers produced 120 million boxes of apples a year they all lose money. If they produce 100 million boxes they all make money.

Senator ANDERSON. And the same thing applies to wheat as the Senator from North Dakota so well knows. I am saying, Mr. Chairman, that I thought these figures ought to be brought out early so that we can get Mr. Gordon's recommendations on each one of the things in this bill.

I think this bill will result in a substantially increased wheat acreage. I think when you raise this minimum from 15 to 25 you put a larger and larger proportion of the program where it is not subject to control, and then you have to come in sometime later and whack the very heart out of the regular wheat producer in States like North Dakota and Oklahoma and Kansas.

I want to take an awfully good look at that before I do that.

The CHAIRMAN. There have been some people from those States who have felt about as you seem to, Senator Anderson. Some of them I understand will appear before the committee tomorrow to make

their apprehensions known to the committee. That is as I understand it. I do not know what they are going to say.

They are representatives from some of the wheat States who have asked to appear.

Senator ANDERSON. Mr. Gordon, I appreciate your tolerance in letting me go ahead.

Mr. GORDON. I am glad to have you bring that out. To be specific, Senator Anderson, as to what we do and do not recommend, I want to say that the Department recommends without reservation these items which I have just covered and am about to cover, down to marketing quotas on page 4.

Senator YOUNG. Mr. Chairman, I think it would be helpful if he would tell us the difference between the House bill and the Senate bill and your own recommendations as you go along.

Mr. GORDON. We made these same recommendations to the House committee. They appeared in the original bill, but these particular items were changed back to the 10-year basis.

The CHAIRMAN. Was that change made as you understand it because 1 or 2 States thought there would be particular advantages in changing back?

Mr. GORDON. Yes, sir.

The CHAIRMAN. Will you proceed?

Mr. GORDON. Subsections (d) and (f) of section 2 of the bill would place the acreage reserve for new wheat farms on a State basis. Under existing wheat legislation, the reserve for new farms is fixed at not to exceed 3 percent of the county allotment.

On the basis of past experience, the Department has found that such county reserve is inadequate in many of the counties where the total acreage seeded to wheat is relatively small, and it is believed that a State reserve would permit more flexibility and result in fairer and more equitable new farm allotments.

Enactment of the bill would result in new farm-reserve acreages on a State basis for all the basic commodities except tobacco and peanuts, which are on a national basis, and corn for which there are no provisions for new farms.

Senator MUNDT. Why should tobacco and peanuts be on a different basis?

Mr. GORDON. What we are trying to say is that they all ought to be on the same basis.

The CHAIRMAN. This would put wheat on the same basis. They are not included in this bill, Senator Mundt.

Senator MUNDT. I thought they would still be on a different basis from tobacco and peanuts?

Mr. GORDON. No. This would bring them——

Senator ANDERSON. No, it would not. The Senator is right.

Mr. HOLM. Senator, you asked specifically why peanuts and tobacco were on a national basis. I think for the same basic reason that the recommendation is made here to move it from a county to State, in order to provide a greater flexibility and in order to spread the burden to whatever extent it may be of new acreage allotments on a more equitable basis over the entire group of old producers.

Senator MUNDT. The reason you do not put wheat on the same basis, I presume, is that wheat can be raised any place, whereas tobacco and peanuts can just be raised in certain geographical areas.

Mr. HOLM. They are more restricted in their area of production, yes.

Mr. WALKER. Generally, where you need a new farm allotment the most, your county allotments are small. Three percent of a small county allotment does not help out any new producers that should be producing wheat.

Therefore, if you move this reserve to State level, the State would be in position to allocate to the small county more than 3 percent of its own allotments for new farms.

Senator MUNDT. That allocation is done by your PMA committee?

Mr. WALKER. That is right.

Senator SCHOEPPPEL. That would protect your historical wheat acreage areas as the State or the county units in that State were determined? Would it not?

Mr. WALKER. That is correct.

Senator YOUNG. And it would help you take care of some other odd situations. For example, in my own State we are taking now about 450,000 acres of productive land as a result of Garrison Reservoir. If you leave it too much on a county basis some counties would be in good shape whereas others would have serious problems. If you put it on a State-wide basis that would help take care of it.

Mr. WALKER. Were these farmers to move out to other areas and the farm does not have a history, he could make application for a new farm allotment. They are wheat producers and should get it.

Senator MUNDT. Would that enable the PMA committee to prevent the thing that happens in South Dakota once in a while where some rich Southerner comes up there, not from New Mexico, but Texas, and takes a lot of our land that should be left to pasture, and takes a one-shot wheat crop to try to make a killing.

Would you be able to control that and stop that?

Mr. WALKER. There would be no history on the farm?

Senator MUNDT. No history on wheat.

Mr. WALKER. They would be able to control it here. You are talking about the suitcase farmer?

Senator MUNDT. That is right. They spoil the whole countryside. They would take bluegrass land and kill it.

Mr. WALKER. I think they would hesitate to give a man like that any new crop allotment.

Mr. HOLM. Most of that has taken place during the period when acreage allotments were not in effect. To that extent this would have no bearing.

Senator MUNDT. They could continue, then?

Senator ANDERSON. Not while allotments are on. They could do that while there were no allotments.

Senator MUNDT. When you say history, maybe there is a history. They have done it maybe once in 10 years.

Would that give them a history?

Mr. WALKER. They have to have a history for the last 3 years.

Senator MUNDT. Year after year?

Mr. WALKER. Any one of the last 3 years. He would be considered eligible for allotment on that acreage.

Senator EASTLAND. You mean 1 year in 3?

Mr. WALKER. To be classed as an old farm, that is correct.

Mr. GORDON. To answer your question specifically, Senator Young, the suggestions made up to this particular paragraph which I have just read, were not adopted by the House committee, but this section was, and the succeeding sections here that I will read now.

Subsection (e) of section 2 of the bill would add "the past acreage of wheat" as an additional factor to be considered in establishing farm wheat allotments. In the administration of previous programs the "past acreage of wheat" has been used to reflect the factors of tillable acres, crop-rotation practices, type of soil, and topography specified in the act for establishing farm acreage allotments.

However, it is considered desirable that "past acreage of wheat" be given specific recognition in the act, which would be comparable to the corresponding provisions applying to tobacco, rice, and peanuts. That was used in the House report.

Subsection (g) of section 2 of the bill would limit the protection of the so-called "Barden" amendment to owners of wheat farms acquired in 1950 or thereafter by the United States for national defense purposes.

As originally enacted on February 6, 1942, the provision extended protection to owners of wheat farms so acquired in 1940 or thereafter. The Department feels that owners whose farms were acquired by the Federal Government during the 10-year period, 1940 through 1949, have either received the benefits of the Barden amendment as originally enacted or have been able to build up sufficient wheat-producing history during such period so as to assure themselves of fair and equitable treatment when acreage allotments are in effect.

Also, the administration of the provision as originally enacted would be exceedingly difficult because of the lack of adequate records of farming operations on individual farms for the years prior to 1950. That was also included in the House report.

MARKETING QUOTAS

Section 3 of the bill would change the farm bushelage exemption from marketing quotas from 200 bushels to 400 bushels. The effect of the change would make the bushelage exemption comparable to the acreage exemption contained in section 4 (b) of the bill.

Senator ANDERSON. Does the Department endorse that?

Mr. GORDON. Before the House we took no position in the matter. We tried to present the pros and cons of the situation so as to give as clear a picture as possible for the committee to consider it.

Senator ANDERSON. Does it endorse this now?

Mr. GORDON. In this particular one we do say in conclusion, that we believe the freeing of a larger group from marketing-quota penalties and the resulting decrease in administrative problems make this a desirable change.

Senator YOUNG. Would you say it should be at 20 acres or 25?

Senator ANDERSON. I am dealing with the 200 and 400 bushels.

Mr. GORDON. In this particular one, we are dealing with the 200 and 400 bushels which ties into the 25. Before we get to that recommendation, I think we had better see the reasoning back of it.

Section 4 (b) of the bill would change the farm-acreage exemption from marketing quotas from 15 acres to 25 acres. A great majority of farmers growing 25 acres or less of wheat are following crop-rotation.

tion systems involving the use of wheat as a nurse crop in the seeding of legumes and grasses.

The quantity of wheat represented by such producers is relatively small. Therefore, exempting these small producers from marketing quotas would have no significant effect on the total quantity of wheat produced for market, and would permit them to continue their normal cropping operations without being subjected to marketing penalties.

The CHAIRMAN. How would it affect the price these small growers would receive for the wheat? Do you have an estimate on that? Would they be eligible for price supports?

Mr. HOLM. There will be acreage allotments issued to all of them regardless of whether they are above or below the 25 acres. They will, to the extent that they comply with those acreage allotments, be eligible for price support.

The CHAIRMAN. Does that mean that a grower who had been raising 15 acres might be cut to 11 or 12?

Mr. HOLM. He would take his proportionate share and his acreage allotment would represent his proportionate share of the cut.

Senator YOUNG. If he did not comply he would not be under any penalty?

Mr. HOLM. He would not be under penalty nor would he be eligible for price support.

The CHAIRMAN. Do you know to what extent these small growers of 10 or 15 acres avail themselves of the price-support program today?

Mr. WALKER. In the Wheat Belt where you find small producers, you will find the participation in the price-support program is much higher there than it is in the soft red wheat area. Take Illinois, Indiana, Ohio, North Carolina, Virginia, all of this area through the East, the participation in price-support programs is very low for all farmers, let alone the small producers.

For instance, in North Carolina it is very seldom that they ever have more than 5 percent of the production come under price support.

Even in the State of Missouri they do not have over 5, 6, or 7 percent of their production that comes under price support.

Senator YOUNG. If they produced over 25 acres and did not comply, they would be under penalty?

Mr. HOLM. Yes, sir.

Senator YOUNG. Is that right?

Mr. GORDON. That is correct.

The CHAIRMAN. Senator Eastland?

Senator EASTLAND. Can a farmer in a noncommercial wheat area, who has of course no acreage allotment, can he grow wheat for consumption on the farm and for livestock feed?

Mr. WALKER. The answer to that question is, certainly he can grow wheat for consumption on the farm.

Senator EASTLAND. And feed his stock?

Mr. WALKER. But if he should plant more than the minimum acreage he would be subject to marketing quotas, if you have them.

Senator ANDERSON. The point is if he produced it for his own stock he does not give a hoot for marketing quotas.

Mr. WALKER. Feeding wheat is the same as marketing wheat under the law.

Senator ANDERSON. You mean that farmer cannot feed wheat to the animals on his own place without asking for a quota?

Mr. WALKER. No, we do not mean that. Up to this 25-acre minimum we are talking about, he can do anything he wants to with the wheat. If he plants more than that and does not have an allotment to cover the acreage he would be subject to marketing penalties.

Senator ANDERSON. But since he does not market what does he care if they put 5,000 penalties on him? Why does he care? He is not selling a bushel of it.

Mr. BAGWELL. The law defines "market" to include feeding.

Senator ANDERSON. I know. Are you trying to tell me now that under the law if a man produces some bushels of wheat to feed to his own chickens that you have a right to go in there and penalize him because he is feeding wheat to his chickens?

Mr. BAGWELL. Unless he stays within the 15-acre minimum. If he has no allotment or a small allotment and plants more than 15 acres the law compels us to go after him for the penalty. The reason for this is that a large percentage—I do not know what it is, 15 percent, perhaps—is normally fed on the farm. The law intended to catch that as well as the 85 that goes into market channels. For that reason the law defines "market" to include feeding on the farm.

Senator ANDERSON. What penalty would you put on this man, now that you have a penalty on him?

You can say that he cannot sell it for so much. You cannot get the money out of him, can you, for feeding his own wheat to his own animals?

Mr. BAGWELL. If he exceeds 15 acres, which is the maximum exemption, and he has no allotment, then his excess acreage is the total acreage that he planted, and the penalty is the rate multiplied by the normal yield of such acreage.

Senator ANDERSON. How do you get to the penalty when he sells his wheat or he does not sell his wheat? How do you get to the penalty?

Mr. BAGWELL. The law says that until the penalty on the excess is paid or the excess is stored, or in the very unusual situation, as the law provides until he donates it to the Secretary of Agriculture, then every bushel marketed from the farm would be subject to the penalty.

Senator ANDERSON. Of wheat?

Mr. BAGWELL. Yes, sir.

Senator ANDERSON. But he does not market wheat. That is what I am trying to tell you. You have no enforcement whatsoever.

Mr. GORDON. You are saying it becomes very academic.

Senator ANDERSON. Of course it is.

Senator SCHOEPPEL. In other words, there is no punitive element in this, so that a man could go out and be penalized and forced to pay a sum of money to somebody, or completely take it out of production, to be used for feed or for some other use on the farm.

Mr. BAGWELL. He would be obligated to pay the Government the penalty on his excess. And of course he could be sued for it.

Senator MUNDT. Pay the Government what?

Senator SCHOEPPEL. Now I am interested.

The CHAIRMAN. Would this great shift in livestock production which is taking place in the country, does it mean that the livestock producers who move from the Southwest part of the country to the Southeast part of the country would be permitted to raise grain to feed their own livestock without paying a large penalty under it?

Would it prevent them moving them at all if they cannot raise feed?

Mr. BAGWELL. They would be in the same situation as wheat farmers in Kansas or in North Dakota. You must plant within the 15-acre exemption, or the allotment, if larger.

Senator EASTLAND. A wheat farmer in North Dakota is in a commercial area to get a price support.

Senator YOUNG. There is no commercial area.

The CHAIRMAN. Commercial growers.

Mr. GORDON. You are thinking of corn.

Senator EASTLAND. That is right. Suppose there is a farm in the Southeast that has an acreage allotment of 100 acres of cotton. He also has cattle. He wants to raise, to feed his cattle, 100 acres of wheat. He plants 100 acres of wheat. Under the law that 100-acre cotton allotment is allotted acreage for that farm. When he plants 100 acres of wheat, wouldn't that be deducted from his cotton acreage?

Mr. BAGWELL. As you recall, Senator, the cotton allotment is established on the basis of cropland and certain acreages are deducted before you determine what his cropland is for allotment purposes.

Wheat is one of them.

Senator EASTLAND. That hundred acres of wheat would be the penalty. It would be deducted from the cotton acreage allotment of the farm.

Senator ANDERSON. I hope you do not get that into the record and let it stand unchallenged.

Senator EASTLAND. Is it? That is a question I asked. I am not making a statement. I want information.

Senator ANDERSON. I had 1,500 turkeys put in to keep down grasshoppers on my place. I planted wheat which I am going to feed to those turkeys. Tell me how you are going to put penalties on me when I market those turkeys. Tell me the provision of the law you are going to use.

Mr. BAGWELL. I might read the provision of the law. It is on page 45 of the compilation.

The CHAIRMAN. Go ahead.

Mr. BAGWELL. I might say that corn is different because there is a commercial corn-producing area. You can grow corn in the South, for example, where the States are not in the commercial area, without being subject to quotas. Wheat quotas are on a nationwide basis. There are no exempt areas. There are only exempt farms. The law says that—

Senator ANDERSON. What section?

Mr. BAGWELL. Page 45.

Senator ANDERSON. What section?

Mr. BAGWELL. Paragraph 4:

Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of corn or wheat, the entire crop of corn or wheat, as the case may be, produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty.

Senator YOUNG. You are talking about farm marketing excess.

Mr. BAGWELL. That is right. A farmer who has no acreage allotment and who plants in excess of the 15 acre minimum, every acre on his farm is excess.

Senator YOUNG. It says if he markets more. But if he does not market more grain, that is Senator Anderson's question.

Senator EASTLAND. When he feeds it to his livestock and sells the livestock is he marketing the grain?

Mr. BAGWELL. That is right. The statute defines market to include feeding on the farm.

Senator EASTLAND. The Department is getting out letters to individual farmers asking them if they desire a wheat allotment nationally, and that if they do get a wheat allotment it will be deducted from the acreage that that farmer can plant in cotton.

I want an answer, if you please, to this question: suppose a farmer has an allotment for 100 acres of cotton. The farmer would also like to grow 100 acres of wheat to feed his cattle for market.

Suppose he did that.

Mr. BAGWELL. May I read from the next page—46?

Senator EASTLAND. Go ahead.

Mr. BAGWELL. Paragraph 8:

Until the farm marketing excess of corn or wheat, as the case may be, is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution.

Let me go back to the definitions and see how the term "market" is defined. That is where you get the answer to whether or not the penalty applies to wheat fed on the farm.

On page 23 of the compilation, the term "market" is defined.

Senator ANDERSON. "Each bushel produced on the farm which is sold," you said.

Mr. BAGWELL. That is right.

Senator ANDERSON. Not marketed, but sold by the producer?

Mr. BAGWELL. That is marketing as we interpret it.

Senator ANDERSON. I am sorry. It says "sold by the producer."

Mr. BAGWELL. Let me read the term "market":

Market in the case of—

Senator ANDERSON. Where are you reading?

Mr. BAGWELL. Paragraph 6, page 23:

"Market," in the case of corn, cotton, rice, tobacco and wheat, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift, inter vivos, and, in the case of corn and wheat by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered or exchanged, or to be so disposed of * * *.

Then there is an exception.

Senator EASTLAND. He can grow corn for that purpose but he cannot grow wheat for that purpose under the law.

Mr. BAGWELL. Outside the commercial area.

Senator EASTLAND. That is right. I want an answer to this: Suppose he grows that 100 acres of wheat. What would that do to his 100-acre cotton allowance on that farm?

Mr. WALKER. Is the 100 acres of wheat covered by an acreage allotment?

Senator EASTLAND. No, sir.

Mr. WALKER. Then if it is not covered by an acreage allotment—

Senator EASTLAND. He has no acreage allotment.

Mr. WALKER. That will not affect his cotton allotment, will it?

Senator EASTLAND. You are getting out letters to that effect.

Mr. WALKER. That is news to me, if they are getting out letters like that.

Senator EASTLAND. They certainly are.

Mr. BAGWELL. I have not seen letters like that.

Senator EASTLAND. I got one.

Senator ANDERSON. That raises a strong suspicion that they are going out. It seems to me we went into this very carefully at one time in the Department. The word "sold" is used in one place. Then if you go back and say that he markets it some place else and then find out what "marketing" means, eventually you can get around to where you can control the American farmer, if that is the purpose of the Department of Agriculture.

I do not think that should be the purpose.

Senator YOUNG. May I ask a question? Were there any prosecutions in the past when we had acreage allotments and quotas covering the question Senator Anderson asked?

Mr. BAGWELL. Oh, yes.

Senator ANDERSON. When the farmer has been selling wheat in addition to consuming it, you give him an illustration of where the farmer had grown wheat and consumed it on his place, and the prosecution, and what the result was.

Do you have that?

Mr. BAGWELL. I do not think the term "prosecution" appropriate. That implies some criminal action. You mean he was sued for the penalty?

Senator YOUNG. Yes.

Mr. BAGWELL. We have a number of cases of course where we sued.

Senator ANDERSON. Where the wheat was solely consumed and did not sell one bushel?

Mr. BAGWELL. The way the law is written, we do not need to prove marketing at all. All we need to do is to go into court and show what his allotment was and what his planted acreage was, and then if his planted acreage was in excess of his allotted acreage we compute what is called a "farm marketing excess" by multiplying the excess acreage by his normal yield, and that is what he owes a penalty on.

Senator ANDERSON. What do you do about collecting it?

Mr. BAGWELL. We go into court if the farmer will not pay voluntarily.

Senator EASTLAND. Get a judgment against him?

Mr. BAGWELL. Yes, sir.

Senator MUNDT. Did you get a judgment like that?

Mr. BAGWELL. Yes, sir.

Senator MUNDT. Collect it?

Mr. BAGWELL. Yes, sir. I am not trying to argue what the law should be. But that is what the law now provides. That went to the Supreme Court.

Senator ANDERSON. What is the citation?

Mr. BAGWELL. *Wickard v. Filburn*.

Senator ANDERSON. You are sure this covers a farm where the farmer did not attempt to sell any of the product himself?

Mr. BAGWELL. It is on page 17 of the compilation, *Wickard v. Filburn* (317 U. S., 111). That went to the Supreme Court on the question of whether that was constitutional or not.

The Court held that it was. That was a decision in connection with marketing quotas in 1941. We have only had marketing quotas 2 years—1941 and 1942.

Senator ANDERSON. Was the case of Wickard versus Filburn the one where the farmer had not attempted to sell wheat?

Mr. BAGWELL. The court specifically passed on the question of feeding on the farm.

Senator ANDERSON. Was that a case where the farmer did not sell any wheat?

Mr. BAGWELL. I have forgotten the exact facts, Senator. Filburn was a small farmer in Ohio, and he fed some wheat on the farm. I do not recall the details. The facts of course are stated in the report. I have not read the case recently.

Senator EASTLAND. Suppose that a farmer without an allotment has several acres in wheat. Suppose the farmer grinds his own wheat to make his own flour. Would that farmer be in violation?

Mr. BAGWELL. He is in violation the minute he——

Senator EASTLAND. Wait a minute. That is, provided the flour is consumed on the farm. That has been widely done in areas that I come from.

Mr. BAGWELL. That does not make any difference under the law. You see, the law is designed to catch——

Senator EASTLAND. What is the law? That is what I want to know. Would he be in violation?

Mr. BAGWELL. Yes, he would, if he plants over the 15 acres, or over his allotment if his allotment is more than 15 acres.

Senator EASTLAND. When was that statute changed?

Mr. BAGWELL. That statute is Public Law 74, which was passed by the 77th Congress. That would have been about 1941.

Senator EASTLAND. I knew in 1938 and 1939 he could do that.

Mr. BAGWELL. Yes, sir. The law was amended by Public Law 74, of the 77th Congress.

Senator MUNDT. It must have been amended to deal specifically with the kind of question the Senator raises.

Mr. BAGWELL. It was. It was to deal with the problem of feeding on the farm. Mr. Walker can check me on this. My understanding is that approximately 15 percent of the wheat in this country is normally consumed on the farm.

Senator MUNDT. Whoever sponsored that amendment or supported it must have done so on the basis of the theory there was so much feeding on the farm it was vitiating the effect of the whole law.

Mr. BAGWELL. The theory of it was that if you do not control the 15 percent you virtually ruin the program. That is the theory. I am not arguing the merits of the law.

The CHAIRMAN. Mr. Gordon, we expect to be called to vote in the Senate any minute now. I think we will have to wind up. I have a small subcommittee appointed to thresh this whole matter out. It is well to know these pitfalls before we fall into them. Do you want to go on, Mr. Gordon?

Mr. GORDON. Yes. The Department is concerned over the disruptions in crop rotations, land use practices, and farming patterns caused by the imposition of production controls. At the same time, there would be no impairment of the privilege of these small farmers of obtaining price support if they choose to comply with their acreage

allotments. In addition, the decrease in the number of farmers subject to marketing controls would result in considerable administrative economies. The proposed change in the law—I think this is the thing that you folks want to look at—increasing the exemption level from marketing quotas from 15 acres or 200 bushels to 25 acres or 400 bushels, would increase the percentage of exempt wheat farms from an estimated 51.6 percent to 64.8 percent, or by 13.2 percent. On the other hand, the percentage of total acreage so affected would be increased from 9.5 percent to 16.5 percent, or only by 7 percent. On the basis of a 5-year average acreage and production applied against the 1950 distribution of allotments, it is estimated that 12.2 percent of the production is currently exempt from marketing quotas and that under the proposed minimum this exemption would be increased to 20.5 percent.

It would be erroneous to assume that no reduction in acreage would be made by the producers so exempted. Acreage allotments would be established for farms under 25 acres regardless of the exemptions from marketing quotas. Compliance with such allotments would be prerequisite to eligibility for price support.

One effect of this change would be to offer 64.8 percent of the Nation's small wheat producers an opportunity to exercise their own initiative and judgment as to whether the benefits of price support justify the disruption to their farming program which would be caused by compliance with acreage allotments. Since only 20.5 percent of the total production is involved and past experience indicates a relatively high percentage of compliance with wheat acreage allotments, we do not believe the effectiveness of production controls would be impaired by this change. We believe the freeing of a larger group from marketing quota penalties and the resultant decrease in administrative problems make this a desirable change.

PENALTIES

Section 4 (a) of the bill would provide a penalty on a farm marketing excess at a rate per bushel equal to 45 percent of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

Senator EASTLAND. Suppose this bill were the law now. How many cents a bushel—

Mr. GORDON. Fifteen cents.

Senator EASTLAND. That would be the penalty?

Mr. GORDON. Yes, which is ridiculous, of course. This is a very important provision and was included in the report of the House.

Senator EASTLAND. Under the present—

Mr. BAGWELL. May I explain? Although there is some confusion because of action which Mr. Gordon will explain as he reads, the penalty now is one-half of the loan rate. If the loan rate is, say, \$2.20—I do not know exactly what it is—the penalty would be \$1.10 a bushel.

Senator EASTLAND. That is under this bill or under the law?

Mr. BAGWELL. Under the law now. This bill would not change that; except it would change the method of computing it. Forty-five percent of parity, as you will appreciate, is the same as 50 percent of a loan rate of 90 percent of parity. This change is to keep from having to put out two penalty rates, the first one on the basis of an esti-

mated parity price and the other on the basis of the actual parity. This would say 45 percent of parity as of May 1, and we would have one penalty rate that would be applicable to all marketing of wheat and would avoid some of the difficulties in collecting more than is due and then having to return it to the farmer.

Mr. GORDON. I appreciate Mr. Bagwell making that correction. The rate of penalty in the act as originally enacted was 15 cents per bushel. The rate was increased by paragraph (2) of Public Law 74, 77th Congress, to 50 percent of the basic loan rate for cooperators under section 302 of the Agricultural Adjustment Act of 1938, as amended. Section 302 of the act was repealed by the Agricultural Act of 1949, but it was obviously not intended that the penalty provision should become inoperative, since this would make any marketing quota program ineffective. It is highly important that this be made clear and it is highly desirable to permit the establishment of the penalty rate prior to any harvesting of wheat. This would be accomplished by the use of May parity as the effective base and 45 percent of parity will be comparable to 50 percent of the support rate which was the prior penalty rate for wheat and is now the penalty rate for cotton and rice.

Now we come to the really important question of the acreage allotment.

NATIONAL ACREAGE ALLOTMENT

Section 5 of the bill provides for a minimum national wheat acreage allotment for 1954 of 62 million acres. Without this change in the minimum, the national acreage allotment for the 1954 crop would, on the basis of present indications, be at the minimum of 55 million acres provided under existing legislation.

The current and prospective stocks of wheat are giving the Department considerable concern. The near-record crop of about 1,300,000,000 bushels harvested in 1952 is going to result in a carryover of around 580 million bushels on July 1, 1953. A record amount of 458 million bushels of the 1952 crop has been placed under price support. In spite of this record loan activity, the market has not strengthened so as to permit appreciable quantities to flow out of the loan into normal channels of trade, and the major portion of the July 1 carryover will be owned by the Commodity Credit Corporation.

Despite the adverse weather conditions which prevailed in the major winter wheat-producing area last fall, a total wheat production in excess of 1 billion bushels is now indicated for 1953. On the basis of foreseeable domestic and export requirements, an increase in the carryover stocks to around 690 million bushels is indicated for July 1, 1954—which would be the largest carryover of wheat ever recorded.

Senator MUNDT. Are those figures brought up to date? You say despite the adverse conditions prevailing last fall.

Mr. GORDON. Yes, sir.

Senator MUNDT. You have had new adverse conditions prevailing early spring and late summer. You still feel it will be over a billion bushels despite that?

Mr. GORDON. Yes, sir. We realize that to enforce a full readjustment between supplies and indicated market outlets in 1 year could have serious implication. Without intermediate legislative measures, the minimum of 55 million acres now prescribed in the law would

be the governing factor in establishing a national acreage-allotment level. This would require a reduction in 1 year of nearly 30 percent.

In the best interests of agriculture, production controls should be administered so as to avoid violent and drastic changes in the individual's farming operations and the general economy of the area in which the controlled crop is produced. The water is over the dam, however, with respect to our prospective stock position on July 1, 1954, and we can only approach the problem of what should be done subsequently in the light of the current situation.

The proposed minimum of 62 million acres for 1954 was rationalized—remember this was our recommendation before the House—was rationalized in the hearings before the House Agricultural Committee on H. R. 5451 as being an acreage which, with normal yield, would result in no larger carryover on July 1, 1955, than we now face on July 1, 1953.

Senator ANDERSON. What do you anticipate it will be?

Mr. HOLM. Five hundred and eighty million.

Senator ANDERSON. When you say that, do you think 62 million acres will not produce more than our export and normal consumption requirements?

Mr. WALKER. Yes. Sixty-two million will just about produce it.

Senator ANDERSON. We will use a billion bushels?

Mr. WALKER. A billion bushels roughly if we maintain exports at around 300 million.

Senator ANDERSON. What are we exporting this year?

Mr. WALKER. Three hundred and fifteen million.

Senator MUNDT. Mr. Gordon, what is that 62 million? You say if you cut it down to 55 million acres that would necessitate a reduction in 1 year of about 30 percent?

Mr. GORDON. Yes, sir.

Senator MUNDT. Percentagewise, what will 62 million acres require?

Mr. GORDON. If you will remember, the House suggested 66 million in the bill. We suggested that it be cut back to 62 million because that would hold the status quo as of July 1, 1953, on the basis of the figures then available. Since that time other figures are out which have changed the picture. I am coming to that right now.

Senator MUNDT. That does not answer the question. If 55 million acres represents a 30 percent cut, how big a cut is represented by 62 million acres?

Mr. WALKER. About 20 percent.

Senator MUNDT. Thank you.

Mr. GORDON. Since that time the June crop report indicates an increase of approximately 100 million bushels in the total supply for 1953-54. To the extent that this additional production cannot be moved into export, a corresponding increase in the 1954 carryover over that for 1953 can be expected.

Senator ANDERSON. That 150 million bushels, at 15 bushels to the acre, means 6½ million acres more. Six and one-half million acres or 62 million acres means 56½ million acres or just about the 55-million-acre limitation. Is that not correct?

Mr. GORDON. You are figuring too fast for me.

Senator ANDERSON. You say—

Mr. GORDON. We are figuring it right now. You just have a faster mind than I have.

Senator ANDERSON. It is $56\frac{2}{3}$?

Mr. GORDON. Yes, sir.

With the weakness exhibited by the wheat market in relation to the price support level—

Senator ANDERSON. Would that be about right?

Mr. GORDON. That is about right according to the figures. With the weakness exhibited by the wheat market in relation to the price support level and the unprecedentedly large proportion of the carry-over which it now appears will be in Government ownership as a result of our price support commitments, the Department takes the position that it would be desirable to reestablish a balance between supply and demand. We are not unmindful, however, of the objectives which prompted the inclusion of the figure of 62 million acres in the bill. If the committee feels that an acreage allotment of less than 62 million acres would be inconsistent with a policy of effecting orderly adjustments, the Department would interpose no objections to its inclusion in the law for 1 year. But we point out just what you have suggested, Senator Anderson, that at the time we made the 62 million statement we did not have this information with respect to the 100 million additional bushels of yield and that we would like to call that to the attention of the committee and suggest that they take that into account in considering this matter.

Senator MUNDT. On what calendar date were the figures compiled on which you based your June crop report?

Mr. WALKER. As of June 1.

Senator MUNDT. This is June 25. We have had 25 days of uninterrupted drought in the great wheat-producing areas of the Southwest which certainly must have some impact on that 100 million bushels. Is that right?

Mr. WALKER. I think it will.

Senator MUNDT. If what I read in the papers is correct it will have a rather serious effect on the 100 million bushels.

The CHAIRMAN. Senator Young and the chairman might add we have had 25 days of wonderful weather for overplanting the spring wheat crop in the spring-wheat area.

Senator MUNDT. They have planned on that. But they have not planned on the drought in the Southwest. In the Southwest they have lost a sizable fraction of the 100 million. I imagine 15 or 20 percent of it has gone out the window.

Senator YOUNG. The spring-wheat crop is not made yet. I read in my morning paper from the State that we have evidence now of a 15-year rust which is the earliest on record. Obviously the reason for Congressman Hope proposing raising the acreage limitation from 15 to 25 acres was so as to make possible a more favorable vote. What

will the Department do with respect to encouraging farmers to vote favorably on quotas? I think that will have a lot to do with whether farmers vote for quotas or against.

Mr. GORDON. I think the position the Department will take is that we are going to use every avenue at the disposal of the Department of Agriculture to get all of the facts before the farmers. We are going to give him every bit of information we possibly can as to its effect on him personally.

Senator YOUNG. Do you think if we left the provision at 15 acres there would be a chance of getting a favorable vote? I personally believe we would be better off to leave it at 15 or 20 acres and effect a favorable vote.

Senator MUNDT. You mean get a better vote at 15 than 25?

Senator YOUNG. No. We would be better off to get the vote and still leave it at 15 acres, and also make some changes in the law with respect to these penalties. I think that would encourage the smaller producer to vote favorably.

Mr. GORDON. There is a great variation of opinion on that score. We have felt that if it were not changed that the chances are just about 50-50 for a favorable referendum, with no change.

Senator YOUNG. How about 20 acres?

Mr. GORDON. If the theory back of the increase from 15 to 25 is correct, the 15 to 20 would also have a favorable effect. Whether it would be as much we do not know. We have provided information here which will show the effect by States under this change and we have come to the conclusion that the change from 15 to 20 or 15 to 25 acres is not too serious from the standpoint of the administration of the program. What the reaction of the farmers, who are in a sense disenfranchised by this will be, we do not know. Since they are not too seriously affected by the thing, we doubt that there will be any particular feeling on that score. It does, of course, put the matter of settling this question up to the commercial wheat producer. That is what it does.

Senator YOUNG. On the last record vote on this, what was the percentage vote say in Ohio as against Kansas and North Dakota?

Mr. WALKER. The 1941 election, Ohio was 47 percent favorable; Kansas, I do not remember; it was up around 80.

Senator YOUNG. Seventy-six, I believe.

Mr. WALKER. It was high.

Senator SCHOEPPel. It was over 75, I think.

Mr. WALKER. For the country as a whole in the 1941 referendum it was 81 percent in favor. I can get those exact figures by States if you would like to see them.

Results of wheat marketing quota referendums, by States, 1941 and 1942

State	1941 referendum		1942 referendum			Yes
	Total number of votes cast	Yes	Number of votes cast			
			Yes	No	Total	
		<i>Percent</i>				<i>Percent</i>
Alabama.....	10	90.0	6	0	6	100.0
Arizona.....	114	97.4	115	25	140	82.1
Arkansas.....	130	91.5	51	8	59	86.4
California.....	3,006	66.1	2,065	639	2,704	76.4
Colorado.....	9,010	87.3	5,859	980	6,839	85.7
Delaware.....	881	91.4	582	22	604	96.4
Georgia.....	252	64.7	168	48	216	77.8
Idaho.....	12,845	94.1	10,169	1,121	11,290	90.1
Illinois.....	35,222	72.4	12,765	4,148	16,913	75.5
Indiana.....	31,179	65.2	14,316	4,881	19,197	74.6
Iowa.....	4,419	85.6	1,867	220	2,087	89.5
Kansas.....	101,966	79.8	55,586	16,023	71,609	77.6
Kentucky.....	4,773	85.5	2,165	202	2,367	91.5
Louisiana.....	13	7.7	33	0	33	100.0
Maryland.....	3,878	77.2	2,463	857	3,320	74.2
Michigan.....	6,913	76.2	3,587	979	4,566	78.6
Minnesota.....	23,896	86.3	12,746	1,340	14,086	90.5
Mississippi.....			19	7	26	73.1
Missouri.....	23,170	79.7	6,227	1,577	7,804	79.8
Montana.....	19,752	91.7	16,646	1,716	18,362	90.7
Nebraska.....	40,430	82.1	22,713	4,573	27,286	83.2
Nevada.....	155	60.6	83	28	111	74.8
New Jersey.....	318	33.6	99	105	204	48.5
New Mexico.....	1,515	94.7	966	149	1,115	86.6
New York.....	1,996	54.5	641	393	1,034	62.0
North Carolina.....	2,290	83.8	1,443	232	1,675	86.1
North Dakota.....	69,961	94.7	63,109	2,965	66,074	95.5
Ohio.....	33,836	47.1	10,342	7,545	17,887	57.8
Oklahoma.....	39,274	80.4	18,569	10,965	29,534	62.9
Oregon.....	5,815	95.5	5,350	224	5,574	96.0
Pennsylvania.....	6,351	41.7	2,004	1,770	3,774	53.1
South Carolina.....	317	86.1	105	24	129	81.4
South Dakota.....	30,480	93.3	21,474	1,420	22,894	93.8
Tennessee.....	1,397	66.9	1,077	171	1,248	86.3
Texas.....	16,070	93.8	10,232	1,132	11,364	90.0
Utah.....	6,928	94.7	1,504	303	1,807	83.2
Virginia.....	3,194	69.4	1,595	533	2,128	75.0
Washington.....	15,384	93.6	12,625	1,556	14,181	89.0
West Virginia.....	450	64.2	197	76	273	72.2
Wisconsin.....	173	96.5	99	7	106	93.4
Wyoming.....	1,867	92.7	1,368	117	1,485	92.1
United States ¹	559,630	81.0	323,030	69,081	392,111	82.4

¹ Page 11 of the 1941 AAA Administrator's Report to the Secretary (G-113) shows the United States results of the 1941 referendum as:

Yes.....	453,569
No.....	106,061
Total.....	559,630
Percent yes.....	81.0

The CHAIRMAN. Senator Anderson?

Senator ANDERSON. I think this is a very useful analysis and statement that we have had here from Mr. Gordon. I am interested in it because the Department will be the one that will be blamed if we relax this legislation. I do not need to go back through the potato story. Time after time after time I sent letters to the Congress asking them to give us some relief on the potato situation. We never could get a bill out of either committee. They were pretty liberal on what they had to say about the Secretary of Agriculture, as to what he was not doing. No matter how hard Mr. Gordon tries, no matter how hard Mr. Walker tries, no matter how hard Secretary Benson may attempt to handle this problem, if we load another 100 or 200 million bushels of wheat on to his already enormous carryover, people will wonder why

in the world he did not have sense enough to handle this right when the Congress would have done it for him in advance. I think the testimony here is that 55 $\frac{1}{3}$ million acres, on the best figures they have got, will be ample. I personally feel that maybe that is a little too fast a drop.

Mr. GORDON. What that does is maintain the status quo at July 1, 1953.

Senator ANDERSON. We know that that status quo involves much too large a carryover. They are talking about storing wheat on the ground. When you begin to do that then the farm program begins to get into disrepute and people begin to criticize you for grain losses, whereas if we had these figures somewhat realistically adjusted the farmer would not be blamed for these losses because he is not producing.

The farmer never gets credit, Senator Young, when he produces wheat in tremendous quantities and reduces the price of bread in every home.

But the minute it costs the Government any money for price support the farmer is terrible.

Senator YOUNG. Unfortunately, Senator Anderson, you know we have had a sizable reduction in the price of cattle, about 30 or 40 percent. Wheat is down from 40 to 60 cents a bushel.

Oats and other grains are way down. But the cost of living, I understand, as was announced just the other day, is at an all-time high. Apparently it does not make any difference what the price of farm commodities is.

The CHAIRMAN. Mr. Walker?

Mr. WALKER. I would like to clear a point made a moment ago. If our total requirements for wheat remains at about 1 billion bushels a year, under average yield conditions, it would take 66 million acres of wheat to produce such requirement.

Sixty-two million would produce about 930 million bushels at an average yield of about 15 bushels. A moment ago I believe the statement was made that the 62 would produce sufficient to meet our annual requirements.

The CHAIRMAN. The problem is complicated by the fact that whatever legislation is enacted should be enacted before next Wednesday night—before the 1st of July—which gives us very little time to work.

I had expected the House would take some action before now, but they have not done that. This is going to require all the time that the committee can give to it, and a lot more before we get this legislation in shape to ask the Senate to act on the early part of next week.

We have representatives of the three farm organizations still to be heard before some time today and tomorrow.

Is there objection to the Chair requesting Senators Young, Schoepel, and Anderson to serve as a subcommittee of three to put in all the time they can, as fast as they can, in getting this in shape? Of course, we have to hear the witnesses before we can start enacting legislation.

Mr. WALKER. If I may interrupt, there is another amendment we think may be needed, and that is to extend the referendum date from July 25 to August 15.

The CHAIRMAN. I was just going to point that out. It seems to me that it is going to be needed. I can't conceive of any objection to it as far as this year is concerned.

There may be, but I do not know that there would be. Is that agreeable? And would you three gentlemen have time to work on this? It will take some out-of-committee work, I expect.

Senator SCHOEPEL. I think it is very important.

The CHAIRMAN. Time is of the essence. A small committee can work much faster. Is that all right with you, Clint? I know you do not have a thing to do.

Senator YOUNG. I would be very happy to drop my other matters, and take this up.

Senator ANDERSON. This is an emergency.

The CHAIRMAN. This is an emergency, I would say. We have to work on it very rapidly.

Senator SCHOEPEL. I will arrange my schedule. I will have to do some shifting, but I will do it.

Mr. GORDON. We have another brief statement for the record by Mr. Bagwell.

The CHAIRMAN. I am sure you three could call on Senators Mundt and Eastland, too. Mr. Bagwell?

Mr. BAGWELL. Mr. Chairman, I do not want to say anything that would discourage speedy action but I want to point out that we do have until July 15 to announce the acreage allotment. All we are required to do by July 1 is to announce whether or not we are going to have quotas. We do not proclaim a quota in bushels. We are so far over the marketing quota level there is not any question about the necessity for that. So we do have until July 15 for the acreage allotment.

The CHAIRMAN. I am glad that we do have some extra time because it would be almost a physical impossibility, although it could be done. In the case of Pakistan wheat we worked fast.

Mr. BAGWELL. I have a short statement on one of the points in the bill. The regulations governing the establishment of farm-acreage allotments for the 1954 wheat crop have already been issued by the Secretary of Agriculture.

I have a copy here. As in prior years, past acreage of wheat on the farm is being used as the best available measure of the statutory factors of tillable acres and crop-rotation practices on the farm.

If the past acreage of wheat on the farm should be added as a specific statutory factor for the establishment of farm-acreage allotments, as proposed in this bill—Senator Aiken's bill—it is our opinion that such addition to the law would not require any change in the acreage-allotment regulations for the 1954 crop. Rather, such action would seem to constitute implied approval of the procedural regulations already adopted by the Secretary of Agriculture.

The reason I make this statement is that we would not like to see quotas attacked on the ground that the Congress by enacting this past acreage provision, after the regulations were issued, intended some change to be made in the regulations.

We have already used past acreage for the years 1951, 1952, and 1953—primarily the years 1952 and 1953.

(Discussion off the record.)

The CHAIRMAN. The committee will recess until 3 o'clock.

(Whereupon, at 12:15 p. m., the committee recessed, to reconvene at 3 p. m. the same day.)

AFTERNOON SESSION

The committee met, pursuant to recess, at 3 p. m., in room 324, Senate Office Building, Senator Milton R. Young, presiding.

Present: Senators Young (presiding), Mundt, Schoeppel, and Anderson.

Senator YOUNG. The committee will come to order.

Mr. Sanders, you are the first witness for this afternoon. Mr. Sanders, it is always a pleasure to have you appear before the committee and especially to express your views on the very important legislation the committee is considering.

STATEMENT OF J. T. SANDERS, LEGISLATIVE COUNSEL, THE NATIONAL GRANGE

Mr. SANDERS. I am always pleased to come before the committee when we have a subject that the Grange is interested in. I have a very brief statement here and I shall just read it, if I may.

Senator YOUNG. You may proceed.

Mr. SANDERS. The National Grange is favorable to the provisions of S. 2099. It provides adjustments in the current law which will be badly needed if acreage controls and marketing quotas are imposed on the 1954 wheat crop, which now appears probable.

Over the past period of history of restrictive farm laws, the National Grange has been opposed to placing complete or even major dependence on control of production as a means of raising farm prices and handling the surplus portions of crops. We are still opposed in general to such methods of price support and feel that new measures can and should be worked out that will support prices without such problems arising, as are dealt with in S. 2099.

We believe a sound, two-price, or multiple-price system of price support would be far superior to either the presently operative high fixed support or the flexible price support. If such a two-price system were in operation, especially if the proposed International Wheat Agreement is ratified, we could support domestic requirements at parity and would likely find a reasonable market for any surplus farmers care to produce next year.

Nevertheless such improved laws are not now on the statute books, and, under current conditions of production and laws, we are almost certain to be required under the law to impose production restrictions on wheat next year. Present situations in wheat production cannot be handled in the best interest of farmers and the Nation with the law as at present written. Under these conditions it is necessary for us to support the amendments to the 1938 Agricultural Adjustment Act, provided for in S. 2099.

This bill will give a greater flexibility of controls and an adjustment in production more favorable to those areas most adapted to economically sound wheat production. This flexibility is highly desirable in any system of control of agricultural production.

In the past 12 to 15 years of war and cold-war conditions there have been marked shifts of wheat production with greater and greater production going to low-cost areas and areas best adapted to wheat production. Under these conditions a 10-year average acreage and yield would not reflect accurately current situations and trends. S. 2099

corrects, at least in part, this difficulty by changing the current-law requirement of a 10-year average as a base to a base of a 5-year average. This will certainly reflect current trends more accurately, except in the case of abnormal yields due to the vagaries of nature. The bill provides for adjustments in case of such abnormal yields.

Another desirable change which the bill provides is that of shifting the 3-percent reserve from a county to a State allocation, and providing an additional 1-percent national reserve. Reserves, or set-asides, also add to flexibility of controls. Hardship cases in allotments and quotas are bound to arise as between individuals, as between counties, and as between States. The additional 1-percent reserve for the Nation will help correct maladjustments between States, and lifting the 3-percent reserve from the county to the State level will provide a more equitable adjustment between counties, which in turn will be reflected to an equitable adjustment to the individual farmers.

Senator YOUNG. If you don't mind an interruption—

Mr. SANDERS. Not at all.

Senator YOUNG. I believe that extra reserve would be very helpful in taking care of problems such as renters oftentimes have. For example, a renter could have a record as a wheat producer and move on to a farm that probably had a record as a dairy farm or a hog farm, something like that.

Mr. SANDERS. At least a low quota or an allotment.

Senator YOUNG. And find himself with equipment to produce wheat and no acreage allotment.

Mr. SANDERS. Of course that is a part of the whole freezing process that the law brings about, because if he moved onto a farm with a lower allotment than he had previously had in another farm, he would be in pretty bad shape. He does not get his allotment personally in that case, does he?

Senator YOUNG. I understand in the past—when I served in these committees—I think we had a little leeway in taking care of a situation such as that. Perhaps the new owner moving out to a certain farm wouldn't want or need all of his quota so the county would have a little extra acreage there to spread elsewhere. I think a little leeway is necessary to take care of hardship cases.

Mr. SANDERS. As much leeway as is possible, Senator, without impairing the effective control, is very essential and very desirable. As much as possible leeway, without reducing control, the effectiveness of control. That is one of the great undesirable effects of control. It freezes economic conditions in an occupation where there is great change from year to year with individuals; there is great change as a man begins as a young farmer and develops into a full producing farmer and becomes older and older, and then as he gets very much older he wants to retire to a certain extent. In other words, there is all kinds of flexibility in agriculture and that is one of the great difficulties of control as a method of supporting prices.

Senator YOUNG. The two-price system advocated by the Grange would get away from that. I wish we had time to discuss that proposal. I think this committee sometimes should, but it wouldn't be too appropriate in these hearings which are confined for the most part to quotas.

Mr. SANDERS. Of course that is quite true. I am not going to talk the two-price system, however, much as I would like to do it. Such in-

creased flexibility is, to our way of thinking, highly important in the institution of any scheme of production control.

We also agree with the provision raising the marketing quota exemption from a 200 to a 400 maximum bushelage exemption, and from a 15- to a 25-acre maximum exemption. This will greatly simplify and reduce the task of administration and will have relatively little effect on increasing the total production of wheat. Acreages of wheat of less than 25 acres are usually grown as part of a rotation system, and exemption of these farms from market quotas will not interfere with their normal cropping rotation, which is a desirable thing to avoid doing.

Senator YOUNG. I wonder if you heard the discussion this morning relative to penalties that could be imposed and I think were imposed in the past on small producers who weren't under quotas and who marketed wheat. Do you think the Grange would be in favor of an amendment which would permit the small producer like that to produce wheat for consumption on his farm for feeding purposes but not marketed?

Mr. SANDERS. Senator, I believe as a practical proposition that if you undertake to control production that you must make provisions for that wheat which is consumed on the farm and sold in animal products. If you are going to carry control to its ultimate conclusion and to its ultimate results, you have to undertake to prevent production that is stopped under one crop from going over into other surpluses.

The whole philosophy is wrong—definitely wrong—to my way of thinking. We should undertake to control surpluses by seeking a market for them at a price that will move the surpluses. I am inclined to believe that if you are going to adopt a control method as a means of raising prices, you almost necessarily must do something with the fellow who helps produce the surplus even if he feeds it on his farm.

I know that sounds maybe a little harsh on the small producer who feeds the wheat, but normally a certain amount of wheat goes into feed and therefore helps to make up the total supply of wheat. If we are extremely short on the wheat that would otherwise go into feed and is suitable for human consumption, and would normally move into human consumption, I am inclined to believe that it would be necessary to plug the hole some way, although I recall that conversation that Senator Anderson and the witness had this morning over that.

I am afraid I haven't answered your question very satisfactorily.

Senator YOUNG. I am very interested in getting the views of the major farm organizations and others on this particular subject.

Mr. SANDERS. Finally, we agree with the provision raising the total national allotment from 55 to 62 million acres. We do not have any strong conviction as to whether this allotment should be placed at this figure or at the 66-million-acre figure carried in the House bill. May I explain the reason for us taking that position?

We feel in any case we must accept a considerable surplus next year. To reduce the total acreage to where we would not have a surplus next year, I think, would force us to do about what you brought out this morning. Senator Anderson: To go down to probably 45 or even maybe lower, in millions of acres, which would be just unthinkable.

It would be an extremely bad situation to justify in the world as a whole. With the world situation in food as it is now, for us to reduce to where we would not have to handle a surplus next year some way would be a very, very bad thing from the standpoint of our position in world affairs.

Senator MUNDT. At that point, Dr. Sanders, it seems to me that you make a very striking point when you mention that. It seems to me that if at one and the same time we are retaining here unmanageable reserves and are sharply curtailing our production and failing to find a way to utilize our wheat abroad in areas where people are starving to death, it seems to me that we can destroy in one fell swoop as much international good will as we can hope to procure by this multibillion-dollar-aid program in which we are engaged.

Mr. SANDERS. In cold dollars and cents, Senator Mundt, it could cost us many, many times as much as the cost of handling the surplus of wheat some way.

Senator MUNDT. I agree entirely. If I were running a Communist, anti-American propaganda agency, to get a certain set of facts and figures of that kind together and to present them to people whose bellies are empty and starving, it seems to me that they would see red on what they would consider an unconscionable procedure on our part.

One of the possible solutions that Senator Anderson and I had a number of other Senators have suggested is to find a workable machinery of taking these surpluses and using them abroad as a procurement token for getting into our country some of the imports that we need and can use. It seems to me that we all recognize you can't just store up these surpluses in unmanageable sizes.

I think that would be a much better procedure than to too sharply curtail our productive capacity of foodstuffs that the world badly needs.

Mr. SANDERS. The Grange certainly will try desperately hard to help out in finding a solution for the use of those surpluses some way.

Senator MUNDT. Thank you.

Mr. SANDERS. We doubt that it would be wise, from the standpoint of national security, to make a cut of 30 percent of wheat acreage as is required under the present law if acreage and market quotas are imposed. This provision would reduce the imposed cut to around 21 percent—that is in the bill that is before the committee—and in the case of the cut carried in the House bill by 15 percent, which we believe is a wise thing to do under present world conditions of a cereal shortage in the world, as is evidenced by high prices on rice and our virtual embargo against exports thereof; and in view of the absolute necessity of our maintenance of expanded foreign markets for American wheat. We would be inclined to go along with the 15 percent House cut, instead of the 21 percent proposed Senate bill cut.

Senator ANDERSON. Are you saying that you would prefer 66 million acres quota, realizing that that would add to the troubles we are already in?

Mr. SANDERS. Yes. We are going to have a troublesome surplus any way we do it next year, Senator.

Senator ANDERSON. Do you think it is well to force the farmer always to come to the Department of Agriculture and have them tell him how many acres he can grow and gradually get it down to where they will fix the price and fix the acres?

Mr. SANDERS. Oh, no, I don't agree to that.

Senator ANDERSON. That is what happens when you keep adding to the surplus and keep your quota on them.

Mr. SANDERS. We will come to the time when we will consider seriously a sound price program which is a two-price system.

Senator ANDERSON. Either that or the suggestion that Senator Mundt and I have made many times, try to get rid of this wheat.

Mr. SANDERS. I am in favor of that as long as we have the kind of a law we have, Senator. We will go to any length we can to help you devise a scheme to get rid of it.

Senator ANDERSON. We can devise many schemes, but the State Department will not go along with us under any administration. I am not confining it to one or another. It was just as bad when the party that I belong to was in there. The State Department said "You can't have the State trading; you mustn't do these things. We have our own programs." The wheat continues to pile up in storage and the farmer never has a chance at a free market.

Every time, for years to come, if we don't do something about this, he will start every season with the knowledge that his wheat will be influenced by the stocks the Commodity Credit has, by the amount of wheat that is in storage, and he does not have the free market at all that other industries can enjoy.

Mr. SANDERS. Senator, the present law just inevitably leads to either large Government-held surpluses, constant surpluses, or constant control of production and reduction of the amount of wheat that farmers can buy. There is just no other avenue that the present law will carry us into except that predicament.

Senator ANDERSON. The absolute example of that is the tobacco business where they have complete control. I do not find the tobacco farmers in any trouble.

Mr. SANDERS. The minimum tobacco allotment has been reduced, reduced, reduced. I will grant you that tobacco is probably the most ideal crop that the present system of price supports could be applied to because it is highly concentrated from the standpoint of area, it is relatively small in our total agricultural economy, and the situation that they have got into there is that to the new tobacco producer the advantages of price supports are largely nullified in the price that he has to pay for his allotments.

Senator YOUNG. Another important factor there, too, in tobacco, is that production isn't as necessary in wartime as foods. At least increased production, whereas wheat, corn, cotton, and other commodities are. When you have to step up production of these greatly to meet war conditions, it is very difficult to get down to normal production immediately afterwards.

Mr. SANDERS. I would say, Senator, that, if we undertook to apply the same kind of a program to, we will say, 10 or 15 relatively important crops that we have applied to tobacco, we would multiply our difficulties greatly in the process. Many of the things that we do not have trouble with on tobacco would come out in that sort of effort to spread that sort of a program all over the agricultural economy.

It just will not expand to completely control production because you cannot control agricultural production, total agricultural production, in this country. The only way I think you could do it would be to just simply go out and completely take out of production a certain propor-

tion of the land and you would constantly have to increase that proportion because the more you did that and got reasonable prices for farmers, the more they would resort to fertilizers and tend to nullify the land that you took out and neutralize it. We think that the present program just inevitably leads us constantly into situations such as we are in now. We may be wrong, but we certainly——

Senator ANDERSON. Those of us who do believe that it could be made to operate and that it has been made to operate, feel that, when you do not have these controls, so-called, you are also in a position where you can't have supports.

Mr. SANDERS. That is right.

Senator ANDERSON. As long as you say that that is right, then I am satisfied because I do believe in supports for the farmer.

Mr. SANDERS. I do, too.

Senator ANDERSON. To get supports, you have to have controls. I know how hard it is. We have discussed it many times.

Mr. SANDERS. I say that you can support just as many bushels of wheat at exactly the same price for domestic consumption, under a two-price system, as you can under a high, fixed, or flexible support.

Senator ANDERSON. I agree with that.

Senator YOUNG. May I ask a question on the two-price system? You would maintain a level of parity of 100 percent in the United States?

Mr. SANDERS. I would think that we would maintain that level under a two-price system which would give the farmer the maximum income. I think we could easily in wheat maintain prices at full parity and give the farmer the maximum income by doing so under a two-price system.

Senator YOUNG. In maintaining a price of 100 percent here it would mean we would have to have tariff protection, wouldn't it?

Mr. SANDERS. We have tariff protection. I can answer that by saying—to explain my answer would require considerable time and I know you don't want me to take that. I think we could devise a very simple plan that would not require tariff protection, but would require imports to sell at the surplus price. Of course probably some tariff in addition to that would be necessary but relatively small tariffs.

Senator MUNDT. If we permitted imports to sell in this country at the surplus price how would you maintain the price level for the domestic consumption?

Mr. SANDERS. By the same mechanism, Senator, that you would maintain a two-price system.

Senator ANDERSON. We are moving into a world surplus of wheat now. If we expect to dump our surplus——

Mr. SANDERS. Are we?

Senator ANDERSON. I am taking Senator Aiken's statement for it. If we have the right to take our wheat and sell it at the two-price system in Australia, certainly Australia has the right to take its wheat and sell it to the United States. Before long, I am afraid the farmer will not realize it. That is not the purpose of the two-price system. I am not saying it is. There are a great many things to commend the two-price system. I think we are into this other program now and the sole question is for next year, is it wiser to go to high levels which we know will again throw the farmer into the lap of the Depart-

ment of Agriculture and let them fix the price of his products, or will it be desirable to keep it at what was a fairly stable level and try our best to get into the surplus we have so that the farmer deals with the free market again?

The great day that the American farmer had was when we had to have wheat all over the earth and we had to enlist the good offices of Senator Young to go out and persuade his farmers to sell on a certificate plan that brought them back \$3.50 or so a bushel because they could see the Argentine farmer getting maybe \$6 a bushel.

Senator YOUNG. I was farming then and happy when Clinton Anderson was Secretary of Agriculture and was out there begging for wheat. It was a lot nicer than having to worry about surpluses.

Senator ANDERSON. We were glad to beg for it. The farmer needs his free market, he needs a chance to get some of these prices occasionally that a reasonable carryover will give to him. If you put him where he has to go to the Department every day and say "How many acres can I grow, and what price can I sell it at," it is just not worth it.

Mr. SANDERS. Senator, I believe we are approaching a surplus of wheat in the world solely because the price in the world is too high. At the present time there are 15 percent more people in the world than there were prewar, with only 11 percent more physical food to feed them. You cannot say, under those conditions, if proper relationships prevailed between the nations of the world, that we are approaching a condition where we have a surplus of wheat in the world. It behooves this country as the leading nation of the world to really sensibly solve that problem some way.

Our present price support measures do not help us solve that problem. They just aggravate the problem and make it worse.

Senator SCHORREL. That is apparent with these tremendous surpluses that we have built up. Senator Anderson and Senator Mundt, and I want to get my picture in here. I offered an amendment very pertinent to what the former Secretary of Agriculture, Senator Anderson, has said. It was the State Department's position that nothing should be done about it at all, taking a position which I thought was rather narrow, and I think in the long run is going to be shown to have been ill-advised.

It would have permitted the very thing to happen that we are striving for now, namely, get rid of these surpluses, get them over into these countries, take the materials or their currencies that they have over there and utilize them in our overall program to build good will and give those people the food that they need, that they have not got. And yet we find somebody objecting, somebody objecting, somebody objecting. We are confronted with a situation, as Senator Anderson points out, that we are fully aware of now—are we going to drastically cut acreages, thus hurting some of the areas that produce, historically, maybe one or two crops at the best in the geography of the country, and adapt to it, or are we going to cushion it as you suggest, sir, between those two figures that are represented in the types of legislation before us and over in the House? This is going to be a troublesome proposition. But somebody has got to have courage to face it, whether we do it by degrees or whether we do it by one fell swoop. That is what is going to be pretty tough for somebody to take. But we are going to have to get rid of these surpluses and still

maintain that margin of safety that we should have in a world that is yet on the teeter-totter, little tinder-box stage.

I for one believe that we are going to have to face up to it. But we are going to have to take a somewhat different view than has been expressed here before by some of those who in their judgment and wisdom think that the State Department's position is correct, which is a view that I do not agree with.

Senator MUNDT. Which reminds me, Mr. Chairman, I do not think there is much hope in this, but it is worth trying. Since we last had the State Department testifying on this, Mr. Linder, its economic chief, has resigned and we have a new Assistant Secretary of State from Nebraska. I am discouraged to hope for much from the State Department, but we ought to give him a whirl, get him here to testify on these problems and see what he says.

Senator YOUNG. We are spending about \$500 million a year helping the French in Indochina. I suggest that about \$60 million of wheat that we are giving to Pakistan will do a whole lot more to stop communism and build good will in Asia than \$500 million that we are spending in Indochina.

Senator ANDERSON. Yes, Mr. Chairman. I do not mean to break in on Dr. Sanders.

Mr. SANDERS. I am enjoying it. Go right ahead.

Senator ANDERSON. I could not agree with my colleagues any more. Senator Schoeppel and Senator Mundt and Senator Young and I, we all want to get rid of this. We all tried to do something about it. When you try to do it you run into the official position that that is not the way to go about it.

Yes, it costs some money. Suppose it costs us \$100 million to dispose of a terrific surplus that we have on hand. The American farmer, if he is just breaking even, does not put any money into the income-tax department of this Government. When he starts to make money, he pays income tax on that, all the little merchants in his hometown start paying income tax, they begin to buy equipment.

It is one of those things that we talked about that we speak of as velocity of trade, being more important than the immediate volume of it. I can't help but believe that if we find some way of moving out these tremendous accumulations rather than saying we are going to store it in the street, we would be a whole lot better off.

I do not completely disagree with your two-price system; I am not completely sold on it, but I am completely sold on the idea that is behind it, namely, that you cannot just suddenly stop the production of wheat in these areas that are producing wheat.

I don't mean to do that. I say if you are not going to have any other program, then you have only an alternative. It does seem to me that the State Department might move it. I go back, if I may, to the situation that arose on cotton, with which you are very familiar. I do not have to tell you that the State Department fought me every inch of the road while I disposed of 7 million bales of cotton outside the United States. It was all wrong, it was all silly, and now we see somebody getting up on the floor and saying "The Government made \$200 million trading in cotton."

They have forgotten about all the opposition the State Department had to the shipment of this cotton around the country. We did not have good security, nothing was right about it. But it got it off the

market and the price of cotton in the United States began to move up because the farmer was dealing in a free market. I will tell you, if you get rid of a lot of these wheat surpluses, the wheat farmer in this country will get a whole lot better deal than he is going to get if you start storing wheat on the ground.

Mr. SANDERS. I would say, Senator, to get rid of the surpluses we have, which we must get rid of and which we are going to have added to next year almost certainly, would mean income to this country regardless of how you got rid of it.

Senator ANDERSON. I agree with you.

Mr. SANDERS. I think it would mean income to this country and enormous increase in our goodwill. That is the reason why the Grange is taking the position we are in this bill, even though, as we constantly bring up, we believe there is a much better way of supporting prices. May I say that I have often been convinced that the only program that would satisfy the State Department for agriculture in this country would be no program at all; no program at all.

I think they would be satisfied with that. I think they are going to oppose nearly any program you devise to try to bring parity and equity to the American farmers.

Senator YOUNG. Following up the good statement made by Senator Anderson, I think close to 50 percent of all the people in the United States live in cities and towns of less than 2,500 population, who are directly dependent on agriculture, or on the farms. They represent tremendous purchasing power when farm prices are good. If these people have no purchasing power we are bound to have a depression.

Senator ANDERSON. Always.

Mr. SANDERS. To summarize the position of the National Grange on S. 2099, we would say that although we would prefer not to find it necessary to support such ameliorating provisions of a program of restriction, but since we find it necessary to live with such a law for the time being, we are certainly in favor of introducing the desired flexibility and adjustments which are carried in the currently considered law.

Before closing this statement I would like to bring out some striking evidence of the violence that control of production, rigidly and uniformly applied to all States alike, can do in the case before your committee. Keep in mind also that the great harm done to economically sound production as between States is accentuated when the system of control is applied on the basis of a rigid historical pattern to individual growers.

The attached table shows the change in average acres sown to wheat from the 1937-39 acreage compared with 1952 acreage, for the 11 States where major increases occurred compared to the changes in the remainder of the country. These markedly varying changes in wheat production are largely the results of economic forces and the choice in crops produced by farm managers. That is the free choice of managers in producing what they desire to produce.

During this period little control has been exercised. It will be noticed that for the 11 States total acres sown increased 37 percent by 1952 compared with a decrease of 20 percent in all other States combined. In 1952 the 11 States showing marked increase under free choice by producers, produced almost three-fourths—73.1 percent—of the Nation's wheat.

It is difficult to imagine the violence that would have been done to sound farm management and sound use of the Nation's wheatlands had rigid control been in force during this entire period. Likewise, it is clear that if control is to be instituted for the crop year 1954, and allotments to States are to be based on the 10-year average figures, much of the adjustment that has taken place (a 37 percent increase in the 11 States and a 20 percent decline in all other States combined) would be ignored or would be seriously violated.

Fortunately our Nation and the world did not suffer this violence to sound wheat and food production during these years because we were passing through a great world crisis during which all the wheat we could produce was needed. As a result economic forces pointed the way clearly to where it was sound to produce this additional needed wheat. Are we to now perpetuate this violence when readjustment is needed, and which readjustment must be done under a totally ill-adapted price-support structure?

Recent figures released by the Food and Agriculture Organization of the United Nations reveal the fact that compared with prewar we have in the world 15 percent more people to feed with only 11 percent more food. In short, we are definitely losing the race with hunger, to say nothing about overcoming unrest by increasing the amount of food per capita for a world in which at least two-thirds of its people are hungry and ill-fed. This situation of hunger is the raw material out of which communism is springing up in all parts of the world.

In the fact of this backdrop, the decision now before this committee on restricting total wheat production, the decision on shifting production in greater proportions, from the lands on which it is best adapted, than it is shifted from the lands on which it is less adapted, takes on a significance that is global and is not confined to the farm fences of the individual farmer. You who have this decision indeed have a grave responsibility.

As a nation we are saddled with a price-support mechanism that makes it impossible to avoid this grave error, since we cannot abandon price support to farmers who have already suffered a serious income slump. The National Grange knows of no way out of this predicament under present price-support laws; a sound two-price, or multiple-price, system of support is the only way out, it seems to us. Under such a system we could live with our abundance and could make it a blessing to all mankind instead of facing it as a curse both at home and abroad.

(The table referred to above follows:)

Change in the acres sown to wheat from the 1937-39 average to 1952, and the 1952 production of wheat, for the 11 major wheat States and for the United States

[From U. S. Department of Agriculture sources]

State	Acres sown		Percentage increase or decrease	Production in 1952	Percent of United States total 1952	
	1937-39 average	1952			Acres	Production
	<i>In millions of acres</i>		<i>Percent ¹</i>	<i>Million bushels</i>		
Colorado.....	1.2	3.8	219	54	4.9	4.3
Idaho.....	1.1	1.6	53	41	2.1	3.3
Kansas.....	12.5	15.1	21	308	19.5	23.9
Montana.....	3.5	6.2	77	84	8.0	6.5
Nebraska.....	3.8	4.6	20	98	5.9	7.6
North Dakota.....	7.8	10.6	36	100	13.7	7.7
Oklahoma.....	4.8	6.3	31	107	8.1	8.3
Oregon.....	9.0	1.1	21	31	1.4	2.4
Texas.....	3.5	5.0	42	35	6.5	2.7
Washington.....	2.1	3.0	42	80	3.9	6.2
Wyoming.....	.3	.4	48	6	.5	.5
Total 11 States.....	41.5	57.7	37	944	74.5	73.1
All other States.....	24.5	19.7	20	347	25.5	26.9
All States.....	66.0	77.4	17	1,291	100.0	100.0

¹ Percentage increase calculated on full acreage figures, not on rounded figures in two previous columns.

² Decrease.

Mr. SANDERS. The table I have here reveals the percentage increase in the various States of these 11 principal wheat-producing States. You will see that Colorado increased its production 3 times what it had as an average from 1937 to 1939. That is, it increased its acreage. And the rest of them increased from 20 to 50 or 75 percent, whereas the opposite has taken place in the States that produce a fourth of the total wheat that we have to put on the market or use each year.

If control is instituted it will simply reverse that trend and will apply the control where necessary in those States that have, in response to economic demand, increased their production simply because they can increase it to an advantage over any alternative crop, whereas the other States that decreased their production during that period did so because they could not produce wheat at an economic advantage.

Senator YOUNG. Dr. Sanders, I worry about controls too, but I worry a whole lot more about low prices.

Mr. SANDERS. I worry about low prices probably more than my conversation would indicate, Senator. But I do worry about controls because I believe that we will eternally have the problems we have here today, maybe not so severe, with the present programs that we have. I believe we can avoid that by a sensible system of supporting the domestic portions of our crop at whatever price we think is wise and permitting the surpluses to flow out into the world market and actually vigorously seek markets for them at a reasonable price.

Senator YOUNG. If we were to lower the price of wheat or any other commodities to a level that would permit us to meet the competition of Communist countries or the Argentine and a multiple-price system, I am afraid we would force most of our producers out of business.

Mr. SANDERS. You mean if we did that for all the wheat they produce. We most certainly would.

Senator YOUNG. Of course in effect we have a two-price system for wheat under the International Wheat Agreement for part of our production. But that is not a too satisfactory arrangement either. I think there is a great deal of merit to the two-price or multiple-price system proposals. I think they should be studied.

Mr. SANDERS. Senator, far be it from me to—I may say it may be pretty bold, but I really believe the committees ought to be studying the alternative price supports very seriously during the rest of this session if they can find time. I don't think we ought to postpone it entirely until the next session because the next session will be not long enough to give the serious consideration to what we should do about this that we need to give to it.

I personally would like very well to see us examine the various proposed types of supports and compare them, and see their weaknesses and merits. I believe it would do us all good.

Senator YOUNG. Are there any further questions?

Senator SCHOEPEL. No questions, thank you.

Senator YOUNG. If not, thank you very much, Dr. Sanders.

Mr. SANDERS. Thank you.

Senator YOUNG. The next witness is Mr. Gus Geissler, assistant to the president of the National Farmers Union.

STATEMENT OF GUS F. GEISSLER, ASSISTANT TO THE PRESIDENT, NATIONAL FARMERS UNION

Senator YOUNG. Gus, it is a pleasure to have you appear before this committee. I would like to say to the committee that Gus Geissler was a farmer not far from where I farmed in North Dakota. He started out on the original AAA committee in Stutsman County as I did in LaMoure County. I got to know him later when he was one of the State PMA committeemen.

Mr. GEISSLER. Thank you, Mr. Chairman. I have a prepared statement and with your permission I would like to read it.

Senator YOUNG. Proceed.

Mr. GEISSLER. I appear in support of S. 2099, with certain changes and additions to be hereinafter suggested. The minimum national acreage allotment for the 1954 crop of wheat in section 5 we would recommend should be 66 million acres instead of only 62 million acres, which is the way the House bill is on this item.

We favor the 66 million acre figure for two major reasons. First, we do not believe that the Nation at this time should take deliberate action to reduce the existing safety reserve of wheat. On the contrary, we should maintain at least an acreage that, with normal yields, will maintain the present supply level. The 66 million acres will, if average conditions prevail, produce a crop that will neither increase nor decrease our reserves, but will leave us with a supply of wheat at the end of 1954 approximately equal to the supply at the beginning of the year.

Senator YOUNG. You believe the 66 million acres would maintain our present carryover?

Mr. GEISLER. I believe that was brought out this morning, that 66 million acres at the national average yield over the past 5 years or so, would produce a little less than a billion bushels, and the estimate of the annual requirements of the Department is about a billion bushels.

We also favor the 66 million acre figure because it avoids the many difficult problems that would be involved in a too drastic readjustment in the agricultural economy of the wheat producing areas. The smaller acreage reduction required by a 66 million acre minimum, as compared with a 62 million acre minimum in this bill or the 55 million figure in existing legislation, will contribute to a more stable agriculture. Many of the wheat producers of the Great Plains and Pacific Northwest have already set aside their summer fallow and fields for 1953. These lands will be available for wheat production in 1954. If, however, acreage cuts are too severe in a single year, these producers will be faced with allowing such lands to lie idle or to re-summer-fallow them for a second year. Likewise, a drastic cut of wheat acreage in other areas would greatly disrupt established farm rotations.

I also regret that the bill does not include revision of marketing quota and acreage allotment legislation respecting corn.

I need not remind the members of this committee, you already know, our Nation has won more victories over communism with food than we have with shells. It looks now as if this may be even more true in the future.

As important as are the ordinary economic and domestic reasons for maintaining an adequate safety reserve of wheat and feed grain, they are, in my opinion, overshadowed by the importance of food in the international political and psychological struggle. Dealing with wheat production and reserve supply policies you are dealing with national security policies just as surely as if you were considering appropriations for the military establishment.

To take this factor adequately into account, in our judgment, means that we should provide for the development and maintenance of safety reserves of wheat and feed grains somewhat above normal safety reserve requirements. We should establish a special reserve that will be available to meet unforeseen contingencies that may arise in connection with the cold war.

Looking at our experience over the past 15 years, when several times we had large wheat and corn reserves, I am impressed by the fact that history turned out to show that those reserves were a blessing. Every time we've had them, we've needed them. Who today would want to predict with certainty that we shall not have production failures or so-called abnormal demands in the future? For the Nation to be definitely certain that the free world will not be caught dangerously short of food and feed grains, the United States should maintain a safety reserve larger than 450 million bushels of wheat and 900 million bushels of corn and other feed grains.

Existing legislation does not allow for, nor encourage, the production and maintenance of safety reserves at anywhere near this level. Under existing legislation, if marketing quotas for wheat are proclaimed, the national acreage allotment must be set at an acreage that, with average yields, the reserve supply will be reduced to approxi-

mately 330 million bushels, more than 200 million bushels short of even normal safety requirements. Existing legislation also requires a cut in corn acreage to that required to reduce total corn supply to an unrealistically low supply level, in the event that corn marketing quotas should be proclaimed.

We do not believe that would be a wise action at this juncture of the cold war to allow our reserves to be cut. We cannot perceive with sufficient clarity what abnormal demands may be placed upon our grain supply within the next 12 to 14 months. Moreover, this Nation should not in my opinion, willingly give its detractors the opportunity to say that the United States is deliberately cutting down on food production at a time when there are so many hungry people in the world.

From this standpoint alone, if no other, there is sufficient justification, we think, to restrain ourselves from great wheat acreage cuts at any point short of a superabundance commensurate with our domestic and international requirements. My own feeling is that the Secretary of Agriculture should not proclaim either marketing quotas or acreage allotments for wheat or corn to be harvested in 1954 and I say that by qualifying to this extent: If we can work out methods of getting these supplies to hungry people in other parts of the world.

Senator ANDERSON. What would you feel would be planted? It was about 78 million acres last year.

Mr. GEISSLER. My guess would be about 74 or 75 million acres.

Senator ANDERSON. Do you have any idea how much that would add to our surplus?

Mr. GEISSLER. It would add to our surplus on normal production to the extent that you multiply normal yield by the acreage above 66 million. I am saying what I said here, Senator, in the context of what has been discussed here already, that if we used the abundance of production in this country in our work with foreign nations and in our fight against communism and all that sort of thing, if we could work out ways of doing that and did work it out, then I think it would be a wise thing for us to use this production to the maximum in line with good land use and all that sort of thing to build better relations with foreign countries.

However, I realize that the Secretary of Agriculture may have reason to view the implications of this situation somewhat differently and find that in good conscience he cannot utilize the emergency provisions.

He may, therefore, proclaim marketing quotas for wheat and call for a referendum vote of the producers, on whether or not quotas should go into effect.

The alternatives that would, in that event, be put up to farmers would be this, in my opinion. They could vote down quotas, thus accepting a wheat price support of 50 percent of parity—about \$1.20 per bushel. Or they could vote for quotas that call for a very heavy cut in acreage, for a drastic reduction in the Nation's safety reserve of good grains but with the assurance of a 90-percent-of-parity support price.

Farmers know they cannot produce wheat at \$1.29 per bushel; they also know that to cut acreage by the extent required by present law would be to take an unnecessary risk with national security. Mr. Chairman, I say to you, wheat producers should not be required to

make a choice between such undesirable extreme alternatives. Even more importantly, the Nation cannot, in wisdom and safety, afford to risk the results of requiring farmers to adopt either of these alternatives.

Enactment of legislation providing for a 66-million-acre minimum wheat acreage in 1954 would allow farmers to vote for quotas without such drastic reductions in their acreages and without subjecting the Nation to such a grave risk to national welfare and security as would be involved in an attempt to reduce the wheat reserve to 330 million bushels or to a minimum of only 62 million acres.

Mr. Chairman, I respectfully urge enactment and approval of the provisions of an amended version of S. 2099, with a 66-million-acre minimum, prior to July 1 of this year, the date on which the question of marketing quotas for wheat must be finally decided by the Secretary.

Moreover, I hope, and respectfully urge, that Congress add additional provisions to this bill, consistent with its intent, on its way through the legislative process. Specifically, it would, in our judgment, be wise at this time to revise the definitions of normal supply of wheat and corn to provide for larger carryover allowances and to establish a special contingency reserve for protection against unusual needs that may arise in connection with the troubled international situation.

In this regard, we support the principles of the resolution introduced by Senators Mundt, Carlson, Young, Langer, Schoepel, Welker, and Thyne which would raise the carryover allowance in the normal supply of wheat from 15 percent of domestic consumption and exports to 30 percent and for corn from 10 percent to 20 percent, while leaving the allowance for excess to remain at 20 percent of normal supply.

We also support the principles of the bill introduced by Senators Humphrey, Kerr, and Murray, that arrive at about the same result by raising the carryover allowance in normal supply of wheat to 45 percent—and of corn to 30 percent—while reducing the excess allowance to 5 percent.

In connection with this proposed legislation, we also endorse the general idea of establishing a special presidential contingency reserve in Commodity Credit Corporation. Here would be set aside, up to an amount equal to 20 percent of domestic consumption and exports, any wheat in the total supply that is above 125 percent of domestic consumption plus exports.

The wheat in this contingency reserve would be insulated from the normal market by safeguards that will prevent its sale or disposal until the total supply of wheat or corn has dropped to less than 75 percent of normal supply, or at such time as the President may determine that wheat to meet national security or foreign policy needs is not otherwise available. This contingency reserve would also be available to serve as the United States contribution to whatever international food or famine reserve the free nations may in the future establish.

Setting up this presidential contingency reserve would insure that this stored grain would not have any disturbing or burdening effect upon the regular grain markets.

Moreover, and just as importantly, the establishment of specially earmarked grain reserve would have the added advantage of announcing to the world that, as a Nation, the United States does specifically recognize the importance of food for emergencies, and that we have

made direct provision to do our part to provide for the food safety of the free world.

Mr. Chairman, at this point in my statement, I should like, with your permission, to submit for the record of these hearings, the original recommendation made by National Farmers Union on this subject of wheat and corn marketing quotas.

It is a letter forwarded on May 11 from President James G. Patton, of National Farmers Union, to Congressman Clifford Hope, chairman of the House Agriculture Committee.

I also request, Mr. Chairman, your permission to insert in the record, letters from Farmers Union members and officials regarding the proposed legislation.

(The document referred to is as follows:)

MAY 11, 1953.

Congressman CLIFFORD HOPE,
Chairman, House Agriculture Committee,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN HOPE: Estimates of the Department of Agriculture indicate that the carryover stocks of wheat as of July 1, 1953, will be approximately 575 million bushels. Under present legislation this level of carryover would require the Secretary of Agriculture to establish acreage allotments for the 1954 crop year and also proclaim marketing quotas. It is the opinion of the National Farmers Union that the reserve levels provided in the current legislation are inadequate to assure safe supplies of wheat at all time under present conditions, both domestic and international. We are, therefore, recommending that the reserve level be increased by changing the amount that is added to estimate requirements both domestic and for export from the present 15 percent to 30 percent in arriving at the normal supply as prescribed by law, and that neither acreage allotments or marketing quotas be put into effect unless the normal supply is exceeded by 20 percent as provided in the present law. I need not remind you of the practice in past years of wheat stocks in backing up the foreign policy—India, Yugoslavia, and now Pakistan. Just suppose Thailand should fall; I'm hopeful it will not, but suppose it would. That would create a sudden and immediate need for a great increase in food-grain exports to Japan and elsewhere in Asia.

We also recommend that a similar increase in the reserve level of corn be provided by increasing the present 10 percent added to the requirement figure in arriving at normal supplies to 20 percent. We also recommend that both acreage allotments and marketing quotas become effective simultaneously on the basis of the above-recommended formula.

Under present legislation acreage allotments may become effective when marketing quotas would not be called for. In the late thirties and the early forties acreage allotments on several occasions were put in effect when it was necessary to proclaim marketing quotas. However, you will remember that at that time production adjustment and parity payments were made to farmers who complied with acreage allotments. Eligibility for price support was also conditioned upon compliance with acreage allotments.

Since production adjustment payments and parity payments are not in effect now the only penalty for not complying with acreage allotments would be ineligibility for price supports. Under these conditions it is our opinion that if acreage allotments were in effect without marketing quotas there would be a high degree of noncompliance which would result in a high percentage of crops being ineligible for price supports and would place an undue burden upon the price-support program covering the eligible wheat. It is quite probable that the market prices under these conditions would consistently be at levels substantially below the price-support level and would result in all wheat and corn placed under loan or purchase agreement under price supports becoming the property of the Commodity Credit Corporation. It is for these reasons that we recommend that acreage allotments and marketing quotas become effective on the basis of a supply 20 percent in excess of the normal supply.

We invite your attention to the fact that under the present legislation covering marketing quotas there is no penalty provided for producing in excess of the farmer's marketing quota. We believe that this was inadvertently overlooked in the review of the legislation several years ago. If marketing quotas are to be effective there obviously must be a penalty for exceeding the quotas.

Time is of the essence. Under the law the Secretary is required to proclaim marketing quotas no later than July 1 of the year preceding the crop year for which marketing quotas are to be in effect, and that acreage allotments must be determined and announced no later than July 15 and that a referendum must be held in which eligible farmers are given the opportunity to express their wishes in regard to marketing quotas not later than July 25. On the basis of present estimates our suggested amendment would probably obviate the necessity for acreage allotments and marketing quotas for the 1954 crop year. However, until the legislation is changed the Department must proceed to determine National, State, county, and farm allotments.

This entails a great deal of work and considerable expense to the Government. If action could be taken on the suggested amendment it would undoubtedly be possible to save these costs.

Sincerely,

JAMES G. PATTON,
President, National Farmers Union.

FARMERS UNION EDUCATIONAL & COOPERATIVE OF AMERICA,
KANSAS FARMERS UNION,
Topeka, Kans., June 15, 1953.

MR. JAMES G. PATTON,
President, National Farmers Union,
Washington, D. C.

DEAR JIM: The Kansas farmers, particularly the Kansas wheatgrowers, are much disturbed about the pending program of acreage allotments and marketing quotas. We feel that a law designed to correct an unbalanced condition in agricultural production in 1938 (and fell far short of doing it) certainly needs some changes in 1953. We feel that under present unsettled world conditions due largely to hunger, that Congress should place a greater value on food as a weapon for world peace. We also feel that divine providence has been most generous with American producers of food through the past decade and that we cannot in the light of experience expect these favorable conditions to continue indefinitely to serve our fast-growing population.

We think the legal reserve carryover established in 1938 is grossly inadequate for safety and security in 1953. We favor the provisions of the Mundt bill for doubling the legal reserve carryover and urge our Senators to support it. We favor the Hope bill for less drastic reductions in seeded acreage and the exemption of small producers (25 acres or less) from marketing quotas in case marketing quotas are invoked.

With the proclaiming of marketing quotas under the present law, producers would be forced to choose between two undesirable alternatives. They could vote for quotas and take a very heavy cut in acreage with an assurance of 90 percent of parity support, or if more than a third of the vote was against quotas price support would drop to 50 percent of parity. It is taking a calculated risk on which way producers will vote. If quotas were rejected by farmers the grain market would undoubtedly follow the cattle market if not worse, with results that we do not like to think about.

Kansas being the largest wheat-producing State would be seriously affected by the imposition of acreage allotments and marketing quotas under the present law. I am sure the Farmers Union is expressing the sentiment of Kansas farmers when we urge the Congress to bring the law up to date by supporting the provisions of the Mundt and Hope bills.

Yours very sincerely,

E. T. FORTUNE,
President, Kansas Farmers Union.

SOUTH DAKOTA FARMERS UNION,
Huron, S. Dak., June 16, 1953.

MR. JAMES G. PATTON,
President, National Farmers Union,
Denver, Colo.

DEAR JIM: You may use this letter as you see fit when appearing before the Senate Agriculture Committee in behalf of revising legislation dealing with acreage allotments and marketing quotas for wheat and corn.

The farmers of this Nation will undoubtedly be faced with a referendum on acreage allotments and marketing quotas. In discussing this with the members of the South Dakota Farmers Union, which numbers upward of 20,000 farm families, we find that they are supporting House Resolution No. 5451 which deals with marketing quotas and acreage allotments. It is very important that we bring marketing quotas and acreage allotments up to date and the general feeling is that a more adequate reserve should be provided for, and that a minimum of 66 million wheat acres be planted in 1954 to assure this Nation and the world that we are not going out of the business of producing wheat for food.

We also feel that farmers with an historic acreage of 25 acres or less should not be required to comply with marketing quotas so that any farmer with this small an acreage would not be required to vote on acreage allotments or marketing quotas. We further feel that the 400-bushel requirement should be stricken as that would only cause confusion and added administrative costs.

We feel that Senator Aiken's bill of a minimum of 62 million acres is too drastic a cut in 1 year because of the great increase in population and so many hungry people all over the world who are looking to the United States for food, and further, the uncertain situation facing us relative to war and unrest all over the world.

We agree with the House amended penalty clause reducing the penalty from 50 percent of parity to 45 percent for any excess marketing.

The farmers are also conscious of the fact that this referendum must carry by a 66% percent of the producers and if this percentage is not favorable the support price on wheat will drop on the 1954 wheat crop to 50 percent of parity. They, therefore, feel that the United States Department of Agriculture must carry on a vigorous campaign to warn the farmers of what will happen if they fail to vote. On the other hand, if they do vote marketing quotas and acreage allotments it is very important that Congress amend the present law as not to allow such a drastic cut as that in our present law, because either way will effect very adversely the wheat and corn farmers' income for 1954.

Fraternally yours,

SOUTH DAKOTA FARMERS UNION,
PAUL W. OPSAHL, President.

FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA,
TEXAS DIVISION,
Groom, Tex., June 16, 1953.

MR. JAMES G. PATTON,
President, National Farmers Union,
1400 New York Ave. NW., Washington, D. C.

DEAR JIM: In regards to our present law on marketing quotas, which has not been changed in any way since 1939. I think it should definitely be revised for these reasons. Our population has increased considerably since then, making an automatic increase in home consumption of wheat, also we have more commitments to ship wheat abroad than we had then. This coupled with our continued world tension, and need of wheat in the countries of the world, where people are hungry, to me definitely indicates that our reserves should be increased considerably. If these reserves are not increased we may very suddenly find ourselves short of wheat, which is the staff of life. I also believe that if the law as it is now is not changed that farmers will be tempted to turn down quotas, because of the large cuts in acreage. This will be because of the continued high cost of production despite a general price decline in farm commodities. I am afraid too many will not realize that if they turn down quotas that the price support will be cut to 50 percent of parity. This in itself will bankrupt an awful lot of farmers.

Farmers have too much money tied up in high-cost equipment and other production costs to be able to stand a 25 to 35 percent acreage cut and leave these acres idle. So much of our wheat land is not adaptable to other crops, this would mean an automatic cut in their income of 25 to 35 percent which they cannot

stand. For these reasons it is a real necessity that our minimum acreage be increased as well as our carryover reserves.

Almost all of our Texas wheat farmers are in grave financial shape now, due to 4 years of continued droughts. We will have rough going even if we had no cuts in acreage for next year, and can raise some crops again. There should be some way to make an exception to the rule in this drought area, and not cut our acreage so much, percentagewise.

I hope that you can help out in this fight to raise our acreage allotments, also to raise our reserves to a more adequate level.

Kindest personal regards.

Very sincerely yours,

FRED HAIDUK,
President, Texas Farmers Union.

Mr. GEISLER. I appreciate the courtesy of the committee in hearing this statement, and the opportunity to appear before you on this very important subject. I shall be happy to answer any questions you may have within my competence.

Senator YOUNG. Are there any questions?

Senator MUNDT. Do you have any proposed amendment in connection with this legislation, Mr. Geisler, which might provide for these increased carryovers, to be included in a bill to be introduced.

Mr. GEISLER. We have not prepared any, but we would be happy to do so if the committee desires.

Senator MUNDT. I think the committee would like to have a chance to look at them.

Mr. GEISLER. They would be the same thing.

Senator MUNDT. But in the form of an amendment to this particular bill.

Mr. GEISLER. We can do that if the committee desires.

Senator YOUNG. I wonder if you heard the discussion this morning relative to the penalty provisions under the present law with respect to small producers of 15 or 20 acres of wheat if they used that wheat for feed purposes and did not sell it.

Mr. GEISLER. I did.

Senator YOUNG. What is the thinking of the Farmers Union? Do you think the present provision should be retained or should it be liberalized so that producers of 15, 20, or 25 acres, whatever the number is determined to be, could use that wheat for feed if they did not sell it, without penalty?

Mr. GEISLER. Our position would be, and we take this reluctantly because we are not very enthusiastic about controls, if you are going to have controls I do not see how you can make those controls effective without controlling all parts of it.

Actually the computation as to what your allotment should be, what your quotas should be, includes wheat for feed, wheat for seed, and human consumption plus export.

Then if you take one of those elements out of there and free the use of that element, you would of course add to your total supply of wheat.

The other thing, of course, that it would do which was discussed many times in considering legislation in the past, is that it would undoubtedly force an unusual amount of wheat into feed and thereby create supply complications with other competing feeds.

The corn people, for example, have always brought that particular question up.

Senator YOUNG. You were State administrator of PMA and State chairman. You were also regional administrator in the Denver office?

Mr. GEISSLER. Yes.

Senator YOUNG. And also president of the Commodity Credit Corporation. Do you recall much bad experience with respect to that provision in the past when we had acreage quotas?

Mr. GEISSLER. No. Of course we had our normal amount of complaints but I do not think the complaints from the people who wanted to feed their production were any greater than from people who thought they ought to be able to market their excess production. Not as far as I can remember, at least.

Senator YOUNG. Did it result in many lawsuits?

Mr. GEISSLER. In proportion to the total number of acreage allotments and marketing quotas in effect, the degree of noncompliance was remarkably low.

There were some losses of course. You understand this: If a man has excess wheat, if he stores that and seals it as you would under loan, and leaves it in there, he does not have to pay any penalty, and he is also given permission to market the rest of his crop if he wants to.

Senator MUNDT. From your experience, do you think the expansion of the number of exempt acres to 25 would help materially in getting a favorable vote on this adoption of the quotas?

Mr. GEISSLER. I think, Senator Mundt, that it would help greatly because any analysis that you make of past referendums will indicate that your unfavorable votes came in the smaller acreage farm States. Kansas, for example, the Dakotas, the west coast wheat States, voted a very high percentage. The last referendum we had, the State of Kansas voted by about 95 percent favorably.

North and South Dakota by 96 percent.

Senator MUNDT. It seems to me we will be in a terrible fix if we have that vote and it is rejected and goes down to 56 percent of parity.

Mr. GEISSLER. Yes, sir. A year from now we would be very unhappy.

Senator ANDERSON. This morning, Mr. Chairman, I asked the attorney from the Department if he could point to a case where a farmer had been brought to court where he had produced only for his own consumption.

He assured me that that was the case in Wickard versus Filburn. I have before me that case, 317 U. S., page 114, where it points out that the appellee for many years past has owned and operated a small farm in Montgomery County, Ohio, maintaining a herd of dairy cattle, selling milk, raising poultry, and selling poultry and eggs.

It has been the practice to raise a small acreage of winter wheat, sown in the fall and harvested in the following July; to sell a portion of the crop; to feed part to poultry and livestock on the farm, some of which is sold, to use some in making flour for home consumption; and to keep the rest for the following seeding.

This was a farmer selling a portion of the crop. I think it is going to be hard to find a case where that is not the situation.

Senator YOUNG. I am glad you inserted that in the record, Senator. If there are no further questions, we thank you, Mr. Geissler.

The committee will stand recessed until 10 o'clock tomorrow morning.

(Whereupon, at 4:10 p. m., the committee recessed, to reconvene at 10 a. m. Friday, June 26, 1953.)

WHEAT MARKETING QUOTAS AND ACREAGE ALLOTMENTS

FRIDAY, JUNE 26, 1953

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D. C.

The committee met, pursuant to notice, at 10:18 a. m., in room 324, Senate Office Building, Senator George D. Aiken (chairman) presiding.

Present: Senators Aiken (chairman), Young, Mundt, Schoeppel, Hoey, Johnston, and Anderson.

The CHAIRMAN. The committee will come to order.

We will continue the hearing on S. 2099, a bill to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes. This morning we are to hear the recommendations of the American Farm Bureau Federation. They are to be presented by Mr. Frank K. Woolley, legislative counsel, who is accompanied by four farm bureau presidents, representing different parts of the country.

Mr. Woolley, will you come forward and tell us what the Farm Bureau thinks of this bill.

STATEMENT OF FRANK K. WOOLLEY, LEGISLATIVE COUNSEL, AMERICAN FARM BUREAU FEDERATION; JOHN TAYLOR, PRESIDENT, OKLAHOMA FARM BUREAU FEDERATION, OKLAHOMA CITY, OKLA.; R. FLAKE SHAW, EXECUTIVE VICE PRESIDENT AND SECRETARY, NORTH CAROLINA FARM BUREAU FEDERATION, GREENSBORO, N. C.; RALPH T. GILLESPIE, PRESIDENT, WASHINGTON STATE FARM BUREAU, SPOKANE, WASH.; AND CHARLES MARSHALL, PRESIDENT, NEBRASKA FARM BUREAU FEDERATION, LINCOLN, NEBR.

The CHAIRMAN. Mr. Woolley, will you proceed with your statement?

Mr. WOOLLEY. We have a prepared statement, Mr. Chairman, which, if it please the committee, we would like to go through.

The CHAIRMAN. You may proceed.

Mr. WOOLLEY. The American Farm Bureau Federation, representing 1,492,210 farm families in 47 States and Puerto Rico, appreciates this opportunity to present the views of the organization with respect to S. 2099.

We want particularly to commend the committee for holding hearings on this important subject, in view of the far-reaching effect that

this legislative action may have on the economic well-being of farmers and the country generally.

The importance of this subject is attested to by the fact that a number of State officials of farm bureaus have seen fit to take time out of busy schedules to come to Washington and give you the benefit of their experience and judgment with respect to this subject. These men are: Mr. John Taylor, president of the Oklahoma Farm Bureau; Mr. R. Flake Shaw, executive vice president of the North Carolina Farm Bureau Federation; Mr. Ralph T. Gillespie, president of the Washington State Farm Bureau; and Mr. Charles Marshall, president of the Nebraska Farm Bureau Federation.

With the permission of the committee, I shall make a general presentation for the American Farm Bureau Federation and these gentlemen will comment on certain specific aspects of this proposed legislation. If it would please the committee we would like to complete these general statements and then collectively participate in answering any questions that the members of the committee might have on the basis of whichever one of us might have the information available.

When H. R. 5451, a similar bill introduced in the House, came to our attention, the American Farm Bureau Federation promptly asked the State farm bureaus from the major wheat-producing areas to send representatives to a meeting in Omaha, Nebr., on June 11, for the purpose of specifically discussing and analyzing the proposed legislation and recommending to the board of directors of the American Farm Bureau Federation a recommended line of action.

I am sure that you are familiar with the fact that the policies of the American Farm Bureau Federation are formulated through the resolutions process, beginning in the counties and then moving through the States and finally the annual national convention. The voting delegates from the 47 States and Puerto Rico finally set the pattern of our activities for the ensuing year. Inasmuch as this issue had not been specifically raised in our resolutions it was necessary for us to convene the interested States, and their actions were approved by the executive committee of the board of directors of the American Farm Bureau Federation. Accordingly, the testimony we are giving today is based upon the thinking of the wheat producers who are members of the State organizations making up the American Farm Bureau Federation.

While the bill before the committee deals with the question of producers' responsibility in bringing supplies into line with demand, it also touches upon other serious and broad aspects of the adjustment program. Before commenting on the detailed provisions of the bill, I think it would be in the interest of a clear understanding of our position to set forth the background and philosophy of the Agricultural Adjustment Act of 1938, as amended, and to summarize how we have reached the place in which we find ourselves today with respect to wheat supplies and prospective markets.

During the 1920's and early 1930's not only wheat farmers but farmers generally were diligently seeking a solution to their problem of finding adequate markets to absorb their production at a fair price. In view of the considerable experience that this committee has had with this problem, I am confident that you are aware of its broader aspects. Therefore, we shall summarize this background.

The fundamental provision of the Agricultural Adjustment Act of 1938, as amended, which was the outgrowth of this search by farmers for a solution to their problems, was that the machinery of Government should be made available to farmers in order to assist them in bringing supplies in line with demand, in return for reasonable price supports. It was recognized that to keep price supports from being an unreasonable burden on the Federal Government that producers had the responsibility of keeping supplies in line with demand. It was also recognized that price supports should not be set at such a level as to suspend the recording of people's wishes through the mechanism of the market. It was thought when the act was formulated that farmers would not be forced to submit to dictation by the Government but rather would have the choice, through free elections, of determining the broad provisions of the program, that is, restrictions with reasonable price supports or no restrictions and little, if any, support. The first effort of price support on the part of the Federal Government ended in failure due largely to the fact that no mechanism was available for bringing supplies in line with demand.

In the final report of the former Federal Farm Board, the following statement appears:

No cooperative system can successfully accomplish its purposes unless production is coordinated with marketing * * *. Attempts to effect production through general advice * * * but without definite organization for the purpose had little effect * * *. Experience with stabilization thus demonstrated that no measure for improving the price of farm products other than increasing the demand of consumers can be effective over a period of years unless it provides a more definite control of production than has been achieved so far.

The act of 1938 recognized this with respect to wheat and section 331 reads in part as follows:

The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce.

The Agricultural Act of 1938 provided for price supports for wheat of from 52 to 75 percent of parity. The members of the committee will recall what happened to the production of wheat, and particularly to the carryover of wheat, while this provision of the law was in effect. In 1942 the carryover of wheat as of July 1 was 631 million bushels, up to that time by far the highest in history. In 1943 it was 619 million bushels. As we all recall these so-called surpluses at that time soon turned into "strategic reserves" due to the outbreak of World War II.

In 1942 the Steagall amendment was passed providing for 90 percent price supports on the basic commodities for the duration of the emergency and for a period of 2 years thereafter. The basic reasoning was that the 2-year period after the emergency was provided to give producers and the Congress an opportunity to develop a permanent, long-range, peacetime agricultural program and to make an orderly adjustment from expanded wartime production in order to avoid a chaotic situation similar to the one we experienced after World War I.

Under this incentive a great expansion in wheat production took place. In 1942 the harvested acres of wheat in the United States were about 53 million. In 1945, at the conclusion of hostilities of World War II, the harvested acres of wheat were approximately 69 million. The readjustment was not made, partly due to the continuance of rigid 90 percent dual parity price supports which stimulated production in excess of demand. In 1952 the harvested acres of wheat were over 77½ million acres. By the continuation of this wartime measure producers have been encouraged to grow wheat in excess of any genuine market demand.

Attached to this statement is a table setting forth the supply and distribution of wheat in the United States from 1909 to 1952. You might just look at that. You will notice in column (6) that the exports of wheat were highest during World War I, World War II, and immediately after the war. As a matter of fact, in 1948 our exports went as high as 506 million bushels. The average annual export of wheat for the period since 1945 has been in the neighborhood of 400 million bushels. However, in the period 1935-39, a prewar period, the United States export of wheat was about 63 million bushels per year and in 1941 was only 28 million bushels. The high exports that producers of wheat have enjoyed over the past 7 years have been made possible because of the willingness of the United States to subsidize these exports both in the form of grants and other aid to importing countries and under the international wheat agreement. The demand has not been a firm market demand for wheat. As a matter of fact from 1948 through 1952, 33.5 percent of the exports of wheat from the United States were financed by either ECA or MSA procurement authorization. In addition to this amount we have subsidized exports through the international wheat agreement over the 4-year period at the rate of 63 cents per bushel or a total cost of about \$580 million.

A part of the reason for these high exports was the lack of production in other countries. However, in 1952 world production of wheat reached the highest level in history—namely, 7,320 million bushels. Supplies of wheat for export or carryover in the 4 principal exporting countries—the United States, Canada, Australia, and Argentina in March 1953, amounted to 1,475 million bushels, which is 585 million bushels more than a year earlier. The large size of the 1952 world wheat crop contributed to our net exports declining to around 300 million bushels for the 1952-53 marketing year.

Senator SCHOEPPEL. Would you mind a question at this point? Or would you wish to finish your statement?

Mr. WOOLLEY. It is really immaterial. We prefer to go clear on through it and then pick up questions.

The CHAIRMAN. You are about halfway through now with your formal statement?

Mr. WOOLLEY. Yes.

The decline in wheat and flour exports in 1952, as compared with the previous year, was about 20 percent and these exports are continuing to go down.

If wheat farmers are to continue to produce at high levels we must greatly expand markets. The greatest hope for this expansion is in exports. We must face the fact that the agricultural facilities of the United States have been greatly expanded and that the production of

the agricultural plant is such that it far exceeds our present firm market demand. We must solve the problem of finding markets for this production or face the most far-reaching adjustments in our agricultural economy.

Fundamentally acreage allotments, marketing quotas, or increased carryovers will not solve this marketing problem. We should not lose sight of the fact that producing for market and marketing is our real problem. We can build up the carryover in the hands of the Government, but sooner or later we must come down to the basic proposition of marketing wheat. The higher the carryover of stocks, the more they depress the market and make prices dependent upon Government action rather than upon the forces of supply and demand.

Carryover of stocks as of July 1, 1952, was estimated at 256 million bushels. The carryover as of July 1, 1953, is estimated to be 580 million bushels. On the basis of the June 10 crop report, and assuming a domestic and foreign market next year equivalent to what we now have, the carryover of wheat will be in excess of 700 million bushels. Seven hundred million bushels exceeds the largest carryover in history. Domestic needs for food, seed, and commercial use is only 580 million bushels. Thus, we could have a 100 percent total crop failure in 1954 and still have enough to more than take care of our domestic needs.

The situation with respect to wheat cannot be considered by itself since wheat can be used both as a feed grain as well as a food grain. The supply of corn from a feeding value standpoint is one of the highest in history. The feed situation report of the Department of Agriculture on May 22, 1953, shows that the stocks of corn on and off farms as of April 1 amounted to 1,808 million bushels as compared to a 1947-51 average of 1,563 million bushels. The situation with respect to other principal feeds is also abundant. Accordingly, it is unrealistic to expect to find any substantial feed market outlet for excessive supplies of wheat when there is a more than adequate supply of feed grains.

The percentage carryover provided in the wheat marketing quota law has been referred to by some people as providing for "a scarcity economy." The facts with respect to this situation do not support such a contention. On the basis of a domestic consumption of 700 million bushels of wheat for all purposes and an export of 300 million bushels, allowance of 15 percent carryover would amount to only 150 million bushels. It is inaccurate to say that the 150 million bushels is the actual carryover provided for in the legislation. A comparison of the actual figures for determining the marketing quota supply position and the allotment level that would be calculated pursuant to the present provisions of the law bring out the fact that the law allows for a much larger carryover than 15 percent.

Attached hereto is table No. 2 showing approximately the figures which will have to be used to arrive at a marketing quota and acreage allotment determination for 1954 plantings. The estimated domestic consumption for 1952-53 is 670 million bushels. This is according to the latest report we just received from the Bureau of Agricultural Economics. It came out yesterday. The estimated domestic consumption for 1952-53 is 670 million bushels. Exports for the period beginning July 1, 1953, and ending June 30, 1954, are 315 million bushels, making a total demand of 985 million bushels. Section 301 (10) of

the Agricultural Adjustment Act provides that to this amount should be added 15 percent for carryover, which would amount to 148 million bushels. This added to the billion bushels would give a normal supply of 1,133,000,000 bushels and to this 20 percent is added 227 million bushels to arrive at a figure of 1,360,000,000 bushels as the level at which marketing quotas may be declared by the Secretary of Agriculture. The carryover on July 1, 1953, has recently been estimated to be 580 million bushels and the production according to the June 10 crop report is 1.132 million bushels, which amount added to 5 million estimated imports makes a total supply of 1,717 million bushels. This is considerably in excess of the marketing quota level. When the Secretary is required to determine how much the acreage allotment shall be, he is directed to use the 10-year adjusted average domestic consumption and the 10-year average adjusted exports, plus 30 percent thereof which amounts to a total of 1,398 million. Inasmuch as the domestic consumption and exports amount to only a billion bushels and the formula in the law for determining allotments results in providing for a production of 1,398 million, obviously the carryover allowance, or in other words the allowance for production in excess of market demand, is about 400 million bushels—not 148 million bushels. With the change in these figures, as you can well see, that would be 15 million bushels more, so that it would be actually 413 million bushels difference between the domestic consumption and exports and the amount allowed for in the determination with respect to calculating the allotments.

There is another fundamental fact with respect to determining the carryover which operates to cause the supply to actually be greater than the 400 million bushels indicated—namely, the figure is calculated as of July 1. Southern Great Plains wheat of the new crop begins to move a month and a half in advance of July 1, and by that date we can normally expect to have harvested in this country considerably in excess of 100 million bushels of wheat.

The 55-million-acre minimum allotment provided by law is 10 million acres more than is needed to produce a sufficient supply of wheat in 1954 to result in having available a supply of 400 million bushels in excess of expected market demand. In other words, if no minimum allotment were provided in the law the allotment to be issued by the Secretary to bring supplies in line with demand would be only 45.8 million acres, using an average yield of 15 bushels to the acre. This, of course, is on the high side, since it is a recognized fact that the probability of getting a higher yield on a smaller acreage is very great.

From the foregoing, it can be seen that the present law provides for an abundant supply of wheat and that the actual carryover is many times in excess of the 15 percent used in one of the calculations of the formula provided in the law. In looking at the specific provisions of S. 2099 we cannot lose sight of these major considerations, and such action as is taken with respect to the details of this bill ought to be consistent with the basic objectives of finding markets and staying with the fundamentals of our present program until we carefully work out something better.

We will comment on the provisions of the bill in sequence, rather than on the relative importance of the items.

Section 1 proposes modification of the present act by changing the basis for determining the wheat yield from 10 years to 5 years. Since this question was not raised by H. R. 5451, as reported by the House committee, which we considered at Omaha, we are not able to comment specifically on that provision at this time except to say that it was not considered.

Section 2 (a), providing for a 1 percent national acreage allotment reserve for wheat, is a desirable provision for bringing about equitable allotments with the minimum amount of acreage.

Section 2 (b), providing for this 1-percent reserve to be used for additional allotments to counties because of reclamation and other new areas coming into the production of wheat, is also a desirable provision which we endorse.

In section 2 (c) we do not agree that it is desirable at this particular time to change the basis of apportioning the national allotment among the States on the basis of 5 years rather than 10 years as now provided.

In section 2 (d) we approve the provision for establishing a 3-percent State reserve primarily on the basis of past acreage of wheat.

We recommend approval of proposed changes in section 2 (e) and section 2 (f) of the bill.

We also favor moving forward the date from 1940 to 1950 as provided in section 2 (g) of the bill.

The Farm Bureau opposes section 3 and section 4 (b), which have the effect of increasing the quantity of wheat that can be produced on the farm and not be subject to marketing quotas from 200 to 400 bushels and increasing the minimum acreage allotments which can be planted and not be subject to quotas from 15 acres to 25 acres. The reason for our opposition is that such changes will result in a sizable percentage of the farmers being ineligible to vote on quotas, and that it will involve a substantial percentage of the total wheat production in the United States. The Department of Agriculture representatives testified before the House Committee on Agriculture that it was their estimate that with the 200-bushel and 15-acre exemption 51.6 percent of the farms presently do not qualify the owners and operators thereof to vote on marketing quotas. If the exemption is increased to 400 bushels and 25 acres, approximately 65 percent (64.8 percent) of the farms will be ineligible. This question of ineligibility to vote on quotas has serious implications of disfranchisement for a high percentage of wheat producers. For example, in Minnesota with over 1,300,000 acres of wheat, it is estimated that 82.4 percent of the farms are ineligible, which means that about the same percentage of farmers would be ineligible to vote. In North Carolina, with over 400,000 acres of wheat, 97.5 percent of the farmers would be ineligible to vote. In Michigan, having well over a million acres of wheat, 95.1 percent of the farmers would be ineligible to vote, and even in North Dakota, with about 10 million acres of wheat, 18.3 percent of the farmers would be ineligible to vote. In Kansas, with an acreage in excess of 14 million acres, 31 percent of the farmers would not be eligible to vote.

The regular wheat producers in the Great Plains area and other important producing areas question the advisability of increasing the minimum acreage allotment which exempts a high percentage of producers and a high percentage of the production from marketing

quota penalties. They realize that it is moving in the direction of encouraging the nontraditional wheat producer to take the market away from the regular wheat producers. It should be pointed out that not only are we in a marketing-quota position with respect to wheat, but we are in a quota position with respect to cotton, and there is a possibility that we may be in quota position with respect to corn in 1954. We are facing the situation of having substantial acreage diverted from cotton and corn and to the production of other farm commodities. Now if we are to have diverted acres on cotton and possibly corn, we may be inviting producers in areas that can produce these crops to divert from these crops to the production of wheat.

There is also the feeling that if we encourage additional production of wheat outside the traditional commercial wheat-producing areas, that we will have brought about a situation which will tend to penalize the regular commercial wheat grower. The regular wheat growers will be called upon to make a greater acreage reduction and thereby will hold an umbrella over the wheat growers who are exempt. It should also be considered that in the so-called commercial wheat areas these producers have few alternate crops for their diverted acres but the producers that would be covered by this increased minimum, generally speaking, have many more alternative uses for their land resources. Nevertheless, one can expect to find more and more of them going into wheat under a higher exemption. For example, Congressman Andresen of Minnesota said on June 4, at page 5 of the hearings before the House Committee on Agriculture, that:

My district happens to be a typical district, because the farmers there are going out of the dairy business and they are going into the soybean and wheat and barley and oats production—cash grains.

In the case of burley tobacco, the Congress found it desirable to decrease the minimum rather than increase it. Some of the same considerations are inherent in the wheat situation as were inherent in the burley tobacco situation.

Section 4 provides for changing the penalty from 50 percent of the basic-loan rate to 45 percent of parity. We favor continuing the law with a penalty at 50 percent of the loan rate. In order to clear up any ambiguity that might exist with respect to whether or not a 15-cent-per-bushel penalty is in effect with respect to wheat, we suggest the deletion from the act of section 339, which now reads as follows:

Any farmer who, while farm marketing quotas are in effect, markets wheat in excess of the farm marketing quota for the farm on which such wheat was produced, shall be subject to a penalty of 15 cents per bushel of the excess so marketed.

If need be the language providing for a 50-percent penalty of the basic-loan rate should be restated.

S. 2099 provides for increasing the minimum national acreage allotment from 55 million to 62 million acres for the 1954 crop.

At the Omaha meeting we thoroughly discussed the proposal to increase the minimum from 55 million to 66 million, and it was the unanimous opinion of this producer group that 66 million acres was entirely too high and would add a substantial amount to the carry-over, further adding to the surplus problem and delaying needed adjustment. As a consequence this group recommended that we use a figure of 60 million as the minimum, and for 1954 only. Our previous discussion of the price-depressing effects of high-level supplies thoroughly indicates why such recommendation was made.

In summary, there is a deep-seated conviction among the members of the American Farm Bureau Federation that it is their responsibility, using the machinery of Government where helpful, to bring supplies into line with demand in return for reasonable price supports. Likewise, it is felt that substantially all of the producers must share in this responsibility. It is well recognized that the productive capacity of our present agricultural plant is in excess of present firm, effective market demand, and that in order to avoid depressed conditions in agriculture we must solve this problem by expanding markets.

The American Farm Bureau Federation has given detailed consideration to the problem of expanded markets, and we commend for your consideration S. 2127, now before your committee, as one effective device for approaching this problem now confronting us on a sound basis.

Continued stimulation of production of commodities for which we do not have effective market demand threatens to undermine the very economic foundation of the United States. It is essential that we put production and marketing on a sound footing and thereby help to insure that the last great bastion of freedom will be kept economically sound in order to continue to resist Communist aggression.

(The documents above referred to are as follows:)

TABLE 1.—Wheat: Supply and distribution in Continental United States, 1909-52

Year beginning July	Stocks July 1 ¹	New crop	Total domestic supply	Total domestic disappearance	Net exports ²	Stocks June 30 ¹
	<i>Mil. bu.</i>	<i>Mil. bu.</i>	<i>Mil. bu.</i>	<i>Mil. bu.</i>	<i>Mil. bu.</i>	<i>Mil. bu.</i>
1909-----	55	684	739	538	91	110
1910-----	110	625	735	537	73	125
1911-----	125	618	743	552	81	110
1912-----	110	730	840	568	147	125
1913-----	125	751	876	612	149	115
1914-----	115	897	1,012	607	338	67
1915-----	67	1,009	1,076	609	242	225
1916-----	225	635	860	596	184	80
1917-----	80	620	700	555	105	40
1918-----	40	904	944	580	279	85
1919-----	85	952	1,037	647	220	170
1920-----	170	843	1,013	574	315	124
1921-----	124	819	943	579	268	96
1922-----	96	847	943	603	208	132
1923-----	132	759	891	620	134	137
1924-----	137	842	979	613	258	108
1925-----	108	669	777	584	96	97
1926-----	97	832	929	611	209	109
1927-----	109	875	984	677	104	113
1928-----	113	914	1,027	656	144	227
1929-----	227	824	1,051	622	138	291
1930-----	291	887	1,178	759	106	313
1931-----	313	942	1,255	760	120	375
1932-----	375	756	1,131	722	31	378
1933-----	378	552	930	633	24	273
1934-----	273	526	799	659	³ -6	146
1935-----	146	628	774	661	³ -27	140
1936-----	140	630	770	689	³ -22	103
1937-----	⁴ 83	874	957	701	103	153
1938-----	153	920	1,073	713	110	250
1939-----	250	741	991	663	48	280
1940-----	280	815	1,095	676	34	385
1941-----	385	942	1,327	668	28	631
1942-----	631	969	1,600	949	32	619
1943-----	619	844	1,463	1,237	⁵ -91	317
1944-----	317	1,060	1,377	992	106	279
1945-----	279	1,108	1,387	894	393	100
1946-----	100	1,152	1,252	767	401	84
1947-----	84	1,359	1,443	757	490	196
1948-----	196	1,295	1,491	678	506	307
1949-----	307	1,098	1,405	679	301	425
1950-----	425	1,019	1,444	690	358	396
1951-----	396	981	1,377	673	448	256
1952 ⁵ -----	256	1,291	1,547	668	304	575

¹ Stocks 1909-22 partly estimated to include same positions as currently reported.² Includes products in terms of wheat and includes shipments to Territories of the United States, which currently total about 4 million bushels.³ Net imports.⁴ 1909-36, some new wheat included in commercial and merchant mill stocks; 1937 to date, only old crop is shown in all stocks positions.⁵ Preliminary.

TABLE 2.—Wheat, 1953

[Data from B. A. E. Crop Report, June 25, 1953]

MARKETING QUOTA		ACREAGE ALLOTMENT	
Normal demand		Normal years—10-year adjusted	
	<i>Million bushels</i>		<i>Million bushels</i>
Supply:		Average consumption:	
Domestic (52-53)-----	670	Domestic-----	715
Exports (53-54)-----	315	Export-----	360
	985		1, 075
15 percent carryover-----	148	30 percent-----	323
			1, 398
Normal-----	1, 133	Less carryover indicated as of	
20 percent M. Q.-----	227	July 1, 1954-----	732
	1, 360		
Total supply		Production weeded-----	666
Supply:		Average yield (bushel)-----	15
Estimated carryover July 1,		1953 indicated allotment-----	¹ 44.4
1953-----	580	Present law 55 million acres mini-	
Estimated production 1953--	1, 132	mum is too high by 10.6 million	
Imports-----	5	acres	
Total supply-----	1, 717		

¹ If 190 million bushels are deducted for feed and seed, the production needed would only be 476 million bushels which at 15 bushels per acre could be produced on 31.6 million acres.

The CHAIRMAN. Mr. Woolley, have your State presidents who are with you separate supplemental statements to present formally?

Or are you open for questions?

Mr. WOOLLEY. The members present from the various States would like to comment on this general statement and then have us go into questions and answers.

If it would please the committee, Mr. Taylor, of Oklahoma—Mr. John Taylor—would like to comment.

The CHAIRMAN. Mr. Taylor comes from a State that has more troubles than wheat troubles right now.

Mr. TAYLOR. That is correct, Senator.

The CHAIRMAN. We would be glad to hear your proposals for a wheat program.

Mr. TAYLOR. Thank you, Senator Aiken, and members of the committee. We have not prepared formal statements on this subject. We had to hurry our consideration of this bill and present it very hurriedly. The meeting at Omaha was quite representative of all the wheat-producing States and many States had a good many representatives there.

We did discuss this as the statement would presume, in detail, and we were unanimous in our decisions what we have reached in this statement.

I feel that it is in the best interests of not only the wheat producers but our entire economy that we have a good look at this situation, so that we can bolster and stimulate a sound program in wheat.

I believe that is all that I have to say at this time. If there are questions of course we will try to answer them.

The CHAIRMAN. We might have the four statements first and then ask such questions as we see fit of the representatives of the organization.

Mr. WOOLLEY. Mr. Shaw, who is a vice president and executive secretary of the North Carolina Farm Bureau, has been working with these programs for years and he would be interested in telling you about how this wheat program affects the tobacco programs and what he sees in North Carolina in connection with it.

The CHAIRMAN. We will be glad to hear from Mr. Shaw.

Mr. SHAW. Mr. Chairman and members of the committee, it is not assumed by the people of our State that we want to tell the wheat-producing areas of the country how to write a program, but we would like to give the benefit of our experience in dealing with these programs as they affect the commodities in North Carolina.

We have 594,000 acres of flue-cured tobacco and about 10,000 acres of burley that have been under rigid programs. Of course we draw about seven or eight hundred thousand acres of cotton and we have 400,000 acres of wheat and 200,000 acres of peanuts.

Three of our programs have been under quotas back through the years. Burley and flue-cured tobacco have been continuously under it.

We found especially in the case of flue-cured that we could not tolerate any kind of exemptions for any size grower. It has the unanimous support of the growers from year to year. They all vote and they all take the same reduction if and when the acreage has to be reduced.

In the case of burley, there was a minimum exemption at one time but it so nearly wrecked the burley program that the producers themselves asked that the minimum be reduced. It was reduced by the last Congress and will probably have to be reduced again if the program continues.

The CHAIRMAN. There is a little objection to that from certain parts of the tobacco-growing area.

Mr. SHAW. In addition to that point we have never asked for price supports at any level unless we did have allotments in effect on tobacco. We do not have acreage allotments if we do not have price supports at any level.

The comparison between the two as to how they operate, the technological improvements in the producing of wheat, even in our State, have meant a good deal to the wheat producers.

There is, in the proposed bill by the House, tremendous advantage for the North Carolina producers because we are all small. But in fairness to the wheatgrowers and in recognition of the fundamental problems of this overall program I feel sure that we voice the sentiment of the majority of the better thinking people when I say that we would hate to see that minimum raised from 15 to 25 acres.

I have here the resolution that has been reaffirmed from time to time, which reads as follows:

We reaffirm our stand for price supports at 90 percent of parity if the supply is kept in line with demand through acreage adjustments and marketing quotas.

That is the position of our resolution and it has been so for many, many years.

Senator JOHNSTON. Did you discuss the increase from 15 to 20 acres, and 200 to 300 bushels?

Mr. SHAW. Did we discuss it?

Senator JOHNSTON. Yes; at any of your meetings.

Mr. SHAW. At the meetings where we have talked about this all of our people have been very, very happy to leave that provision as it is. In the meetings in which we have discussed this the feeling in our State has been that it should be left as is, with 15 acres minimum and 200 bushels allotment.

The CHAIRMAN. Who is the next speaker?

Mr. WOOLLEY. Mr. Ralph T. Gillespie is the president of the Washington Farm Bureau. He represents the Pacific Northwest area and has great knowledge of that area.

The CHAIRMAN. Mr. Gillespie.

Mr. GILLESPIE. Mr. Chairman and members of the committee, I would like to visit with you a little bit about the conditions out in the Pacific Northwest. In the first place, in the State of Washington wheat accounts for one-fifth of the total income of the State and wheat accounts for one-fourth of the agricultural income.

So actually in the State of Washington wheat accounts for one-twentieth of the total income of the State. So it is an important item. In the long-time average production for the State of Washington it has run around 60 million bushels.

In the last few years it has increased to the point where in 1952 it was up to 81 million bushels—a little over 81 million bushels.

In 1953 the June estimate is that we will have a little over 82 million bushels. That shows the tremendous increase in the production of wheat out in the State of Washington.

The same thing is true in the Pacific Northwest, which we think of as Washington, Oregon, and Idaho. The long-time average production out there was around 100 million bushels. But in 1952 the production was 151 million bushels, and the estimate for 1953 is 155 million bushels.

That in itself shows the great need for expanded exports and markets, but another thing that aggravates the situation is that during the last few years we have lost a lot of our historic markets.

In other words, we are not using wheat for feed any more, we are even shipping corn from the Middle West out there and we have lost our soft-wheat, pastry-flour markets in the South, in the East, and in California.

The increased freight rates have caused that to some extent. We really need a world trade from that area. We have some of the greatest ports in the Nation—Portland, Vancouver, and Seattle that are natural for exporting of wheat.

Another trouble is that under world-market conditions Canada has been underselling us right to the North. The Canadian growers say that they raise wheat to sell and in some cases we in the United States seem to raise it for the Government.

Senator YOUNG. Would you mind an interruption there? The Canadians under the wheat pool have a two-price system, too. They set an arbitrary, rather high level for domestic consumption and a lower arbitrary price for exports.

Is that not true?

Mr. GILLESPIE. That may be so. The fact is that they are able, somehow or other, to undersell us most times on the world market.

Senator YOUNG. And their freight rates in the interior are approximately one-third of what ours are.

Mr. GILLESPIE. That could be. We need to remember, I think, the basic philosophy back of all three of our agricultural acts of 1938, 1948, and 1949.

It has been our feeling out there that we need a program to give protection to farmers against unreasonable price declines, to give farmers, through commodity loans, the opportunity to do a more orderly marketing job, and to give the farmer an opportunity to sell his product in the market place at a good price, 100 percent of parity or more if he can get it; to carry on at a minimum cost to the Federal Government with a minimum of regulations and control of the farmer's activity on the farm; and fifth, to provide an acreage allotment and marketing quota machinery whereby farmers can control the production and thus keep a balance between supply and demand.

I think it has always been understood all the time that it was the responsibility of the farmers to keep supply in line with demand instead of it being the responsibility of the Government to do so.

In my humble opinion—

Senator JOHNSTON. We have to make the controls.

Mr. GILLESPIE. You do provide the machinery but then the farmer should have the opportunity to gear that machinery in. That is the point.

Senator JOHNSTON. You have so many farmers it is hard to gear it in.

Mr. GILLESPIE. I do not know how we are going to keep a good, sound, program and keep it working unless we do have it so the farmers can have control of it and gear it in.

We are alarmed at the continuing attempts to keep the Agricultural Act of 1949 from having a chance to work.

We are alarmed at the position, public relations-wise, that the wheat farmer has his present program in. Not only is his city cousin unfriendly but so is the poultryman, dairyman, livestock man, and fruit and vegetable man.

As this committee knows, in the State of Washington we have very strong segments of those commodity producers and we need their support in keeping the good parts of our farm program and if we can't have their support how can we expect to keep our city cousin's support?

I happen to be a peagrower as well as a wheatgrower. I well remember the situation that developed following World War II. During the Steagall period we had a high price support. It was a real incentive program on peas. For the war effort, peas were an important protein product. We really went to work in that area of northern Idaho, eastern Washington, and a little part of northeastern Washington and stepped up our production of dry edible peas about four times, getting to the place where we were raising three-fourths of the dry edible peas raised in the United States.

With the 90 percent support price going on through 1945-48, we really built up a surplus. The Commodity Credit had peas everywhere. In 1949 the support price was dropped to 60 percent. The growers did not complain about that. They thought that was a logical thing to do.

But in 1950 the price support was removed entirely without the grower being given a chance to use production controls of any kind. Warehouses were bulging with Commodity Credit stocks of peas and, of course, the market collapsed and so did the pea industry.

Then, to make it worse, supports were maintained on Austrian peas in 1950, so that the Commodity Credit Corporation had Austrian peas running out of their ears, too.

They still have large supplies of Austrian peas. The thing that I would like to emphasize is that we do not want to lose the good parts of our farm program like we lost it in the situation on the peas.

I hope that we really work at this job of keeping the good parts of our program and working for improvements on it.

Thank you very much.

The CHAIRMAN. The next witness?

Mr. WOOLLEY. Mr. Charles Marshall, president of the Nebraska Farm Bureau Federation, of Lincoln, Nebr.

Mr. MARSHALL. Mr. Chairman, I would like to concur in the Farm Bureau statement as has been presented here.

The figures and statistics involved in the statement were submitted to the wheat growers who were present at the Omaha meeting on June 11, at which time there were 11 States and 23 men in attendance at this conference for discussion of the wheat problem.

The figures presented at that time were really a little different than they are at the present time because of the fact that the more recent wheat report to the Bureau of Agricultural Economics that came out on the 25th—yesterday's report; that was really printed and available the 23d—indicates about 92 million more bushels of wheat than the report that we were using at the Omaha meeting at that time.

As Mr. Taylor indicated, the figures presented there we all agreed on the statement of position on the bill that we had available at that time, even with 92 million bushels less than the present report indicates.

There was a very unanimous decision and feeling with regard to everybody taking this reduction; that is, the number of acres that you might produce before you came under the provisions of the marketing quotas should not be increased; they should be maintained at at least the 15 acres and 200 bushels.

The increase to 66 million acres, it was felt by the group present, would be too high because of the fact it would stabilize wheat production at a level which would keep us constantly with this high supply of wheat on hand.

It would not be in the direction of providing an adjustment toward lowering the supplies on hand at all, and with supplies at a point so far above where the statutory requirements require marketing quotas and acreage allotments, it would simply be a perpetuation of the high supply which would make us continually under this program and having a heavy surplus over us as a pressure on our market.

There is one other item that was included in the bill that was passed by the House, acted on by the House, which was not discussed at the Omaha meeting and is not a part of this particular bill.

Mr. Chairman, if I might, I would like to mention it. That is the proposal or amendment that was added to the House bill which provides for a later date of voting on the marketing quotas—being extended into August rather than the July date.

My farm is in Nebraska, in Perkins County, in the strictly wheat area. I served as county chairman of the triple A committee in my county for a number of years.

At that time there was always a request and a desire on the part of wheat producers that we have the date of voting and the determination of whether we were to have marketing quotas and any of those types of restrictions placed on production at as early a date as possible to allow a farmer to adjust his operations to conform with the requirements of the law that he is being asked to meet when he does plant.

In my particular area, in the panhandle of Nebraska, the southwestern part of Nebraska and on down into the areas of Kansas, we start planting wheat—we have for many years—around the 20th or 25th of August, if we have sufficient moisture, and we usually have moisture at that time of year on the summer fallow.

We do not have the Hessian fly worry there that they have farther east and in other areas, and we are extremely anxious in those areas to get a cover on our summer fallow ground for the fall and winter growing period so as to protect it from the wind erosion.

Consequently it is necessary that we get planted as early as we can. If the date is made later than the present July date it will carry this period of indecision over to a still later period which in my opinion, based on my experience in the county committees and meeting with other counties in that Great Plains wheat area, would be definitely a handicap to the operation because those boys have to have their seed wheat ready, they have to have it dusted, graded and ready to plant and go.

The closer you get to this point in all of the items that enter into his decisions as to what he is going to plant and so forth, the more of a handicap it will provide.

For that reason, I think the change to a later date, as was included in the House bill the other day, is not good for the wheat producer.

I believe that is about all that I have at the present time, Mr. Chairman, unless there are questions.

The CHAIRMAN. I wonder if the president from Oklahoma would care to comment on the August 15 provision.

Mr. TAYLOR. I would, and another one if I might, Mr. Chairman. I certainly agree with Mr. Marshall in that statement.

Our planting is even earlier than his. The farmers know what they are going to be able to do well in advance much better than later. I would also like to comment, Mr. Chairman, on another matter.

There seems to be some feeling that this minimum acreage allotment is a demand on the Secretary, or that is what it will be. That is not the case. The Secretary has the authority to determine what the minimum acreage allotment shall be, but that it will be no lower than the figure expressed in the bill.

We discussed that matter at Omaha very much and it was perfectly agreeable with our group to leave the figure as it was because the Secretary has the authority to determine what the acreage will be as long as it will be no lower than that.

I want to bring that out because there is a feeling that if that amount, which is 55 million expressed in the current law, that that is what the minimum-acreage allotment will cite. That is not true.

Senator YOUNG. I am not sure that that is discretionary. Senator Anderson?

Senator ANDERSON. I was not of that opinion. I thought that he had discretion to leave quotas entirely. But when he established acreage allotments he had to follow the formula set forth in the law unless the formula brought him out with a figure below 55 million.

I think under the law he would have to use 44.4 million by one interpretation. You were here, Mr. Woolley, when I was discussing this with Mr. Bagwell yesterday.

Under the terms of the law as Mr. Bagwell interprets it, he would have to use a quota of about 44.4 as you have here in your statement. Those are the figures that I got out of the BAE report and apparently you looked at the same figures.

Fifty-five million acres is as low as he can go. But actually, if you take out the feed and seed, it would come down to 31 million acres. Senator Young said humorously, but actually truthfully, that they could cut the whole wheat production out entirely and still take care of domestic production.

Senator YOUNG. I said if you kept on figuring, there wouldn't be any need for farmers to produce at all next year.

Senator ANDERSON. I quite agree with Senator Young that nothing would go greater in tragedy than to get them below 30 or about 55 million. I do think that when it comes to going above 55 million, the Secretary would have to have authority by law—he has to have discretion.

Do you happen to know, Mr. Stanton?

Mr. STANTON. No; he has no discretion unless he determines that there is a national emergency. In special situations he can increase it.

Senator ANDERSON. If there is no national emergency he has to pile it on the ground. I probably can testify on that point because I had a little of that to do at one time. When you start to say to a town in Oklahoma, "You provide no parking on one side of your streets and have one way traffic on the other side, and pile grain there and spray it with this material the Air Force uses to mothball airplanes, and maintain that grain to be sure it is all right," the Secretary of Agriculture does not get much sleep while that is going on.

It is a horrible thing to go through, and I do not anticipate the present Secretary of Agriculture is going to enjoy the storage of grain on the ground this season.

But if you do not give him a low figure, do not require him to state a low figure on acreage, he is going to stay awake nights for the rest of his years in there because this thing is not going to cure itself at all.

You can get the grain so bad that you have to throw some of it away. I went through a little of that with the potato business and that is harder to explain. My advice would be that we make it as easy on him as possible, Mr. Taylor, and not try to let him use discretion.

I think we ought to fix a figure if you want to go above the 55 million that is definite by law so he does not have to worry about that.

That is a responsibility we ought to share with him, I think.

Senator YOUNG. Senator Schoepfel?

Senator SCHOEPEL. I was very much interested in your views on the minimum acreage that would be allowed to be exempt from this voting

business. Mr. Shaw, you answered very quickly one phase of it in the tobacco industry. I know we are going to have to wrestle with the problem of whether we are going to go over 15 or some reasonable figure, or increase the bushelage. Your experience down there definitely showed that with the new methods that could be indulged in, they could increase production on the minimum acreage and go to it quicker, probably, than the greater acreages.

Your experience added to your problem, did it not?

Mr. SHAW. It intensified it. It almost wrecked the peanut program. It amounted to this: We had to cut tobacco at one time 40 percent to get back in line when we got overplanted in flue-cured tobacco in 1940.

Senator SCHOEPPPEL. I was practically born in the wheat field in western Kansas. I am inclined to believe that these wheat operators are not going to be any less ingenious than you found your tobacco people.

I am not so sure we are not going to get in trouble unless we face up to this. I did want to say one thing, Mr. Woolley. I made a little notation. You pointed, and very properly so, to the increased production beyond our shores. That comes into focus now as a result of our export or lack of export trade.

We are encouraging these people in foreign countries to operate better and more modern machinery where its utilization and expense can be taken care of, and we are even furnishing some of that; greater fertilization of all kinds is being taught them.

Do you see, in the foreseeable future, any reduction in production in these foreign countries?

Mr. WOOLLEY. The 1952 world wheat crop was a result of increased acreage and increased yields. Whether or not you get the same fine weather that we had in 1952 throughout the world, like we did, is of course questioned.

But there is not any doubt but what the facilities for the production of commodities are expanding in other areas of the world as well as in the United States.

Along with the expansion of production you have got to expand your consumption and your marketing. That is the big point that we are interested in. The Canadians, as you know, had a bumper wheat crop and the only limitation on their sale of that wheat has been their transportation facilities to get it out.

Canada is marketing a fine quality of wheat. We produce fine quality wheat in the United States in many areas. Sometimes we do not market it, however. By the time we get through blending it with inferior quality wheat, we are marketing a less desirable product than our Canadian competitors. That shows up in our world market as well as price also.

Senator SCHOEPPPEL. That is all the more reason why we had better try to expand our markets, even with the reduced acreages which I am convinced we are going to have to come to—the specific amount I do not know, and I believe that we may be too high yet. I firmly feel that we may be a little too high. But that is all the more reason why we had better look to some expansion of this foreign market. I will say with all due respect to my distinguished colleague here, and former Secretary of Agriculture, and Karl Mundt and my friend at the head of the table, Milton Young, that some of us have offered for con-

sideration legislation to legitimately expand our foreign markets where our surpluses are concerned. But we have met with considerable resistance from the State Department and some of our Federal officials who look always on the foreign side of this thing. That seems to me to be the only way that we are going to get rid of some of these surpluses on a legitimate basis, build up a lot of goodwill, and yet take care of some of our problems here at home.

I believe that despite that, whether we get this legislation implemented or not, we are going to have to come to a reduction of acreage program. Do you concur in that?

Mr. WOOLLEY. Yes. We believe that we are in this position: that the wheat carryover as of July 1, 1954, is in by now. A lot of people do not have that concept in their minds. The carryover of July 1, 1954, wheat is here now. There is 1,717 million bushels of wheat in existence today in the United States.

Senator YOUNG. If this crop goes through.

Mr. WOOLLEY. Yes; that is right.

Senator YOUNG. May I interrupt?

Senator ANDERSON. A lot of the crop has already gone through.

Senator YOUNG. May I ask a question at this point?

Senator ANDERSON. Certainly.

Senator YOUNG. I understand spring wheat in Nebraska is badly affected by rust, or at least to some extent.

Mr. MARSHALL. We have very little spring wheat. It started in, the rust infection. It is just a drop in the bucket in our production because we have it in only those 2 or 3 north counties. Then the dry weather hit and arrested it entirely. It will not be a factor in our production in Nebraska.

Senator YOUNG. We have what appears to be a very serious drought situation in the Southwest. Let me tell you something that is very serious in our area right now. I had a call this morning from I think a person who is the best authority in the Northwest on rust. He lives in Minneapolis and is the head of a big organization. He tells me that the rust situation there is very serious at the present time, and it is doubtful whether we will have any durum crop at all. By the time the new durum crop comes in we will not have a bushel of durum wheat left over for macaroni and other purposes. He feels that this rust situation could well destroy most of our crop. We have never had it this early before, and we have never had more favorable conditions for rust. When we have rust to the south of us we invariably have it very bad in our area. We can rarely escape a bad rust situation when we have it to the south of us.

On top of that we have this new 15-B rust which is the rust that is showing up now. That is a new rust for which we have no rust-resistant varieties of wheat. That presents an alarming situation. I wonder if we aren't worrying too much about surpluses. It seems to me that when God Almighty has been so good to us for over 12 years and given us unprecedented crops that somehow we should not be so ungrateful or worry so much about a little surplus. We ought to be able to take care of surpluses better than we do.

Senator SCHOEPPLE. I will say to the distinguished acting chairman of the committee here today, that for the last 7 years in the western Kansas area we have had an unprecedented run of successful

crop years. We used to figure 1 out of 3 good ones, and then taper off for the other two. Sometimes 1 out of 4 was a good crop. But we have had seven good crop years in our area. Last year it was too dry, hence you will note what Kansas production will be, which is one of those things that climatic conditions have taken care of. I am wondering about something else, the voting on this program. How essentially do you gentlemen think this reduction of acreage will be in voting this program or defeating it? You have members in Ohio, and members in some of these other States that have a great percentage of small farm acreages that are put to wheat. What was the experience in the tobacco areas?

Mr. SHAW. No difference, Senator. Our people, the small growers, percentage-wise, went along with the other people. There is no difference at all.

Senator SCHOEPEL. There has been some alarm expressed, and some inquiries about what the result would be if we did not provide for these exemptions on certain minimum figures.

Mr. WOOLLEY. That poses a real problem. According to the Department of Agriculture's figures under the present 15-acre minimum and 200-bushel minimum some 12.2 percent of the total production, they estimate—and I think their estimate is low—is exempt from marketing quotas. If you change it from 15 to 25, and from 200 to 400, their estimate is that it will be over 20 percent of the total production. This begins to be a rather serious amount of the market that is completely out from under penalties. As I indicated in my statement you have some statements here that are going as high in some areas as 97 percent, of the growers of a commodity who are not entitled to vote. This begins to attack the very fundamentals of the proposition that the producers are the ones who are going to decide whether or not they are going to vote quotas on themselves or not. To say that a person is not affected by a quota because he does not have to pay a quota penalty is just a little bit liberal with the English language because, take a farmer in Ohio, Indiana, or Illinois, he is going to be given an acreage allotment of 5 acres, let us say. He can plant 25 acres and not have to pay a marketing quota penalty, but he cannot get price support, and not being eligible for price support he is actually being penalized in relationship to other wheat producers.

Senator ANDERSON. Not being subject to price support does he not jeopardize the market a little bit in the years when you have a tremendous surplus?

Mr. WOOLLEY. It is a complete insurance policy that the market will never even come close to being a market that reflects parity. One of the primary objectives of Farm Bureau is that farmers get parity and that they get it by the operation of supply and demand in the market place.

Senator ANDERSON. In a free market.

Mr. WOOLLEY. In as free a market as you can have, recognizing full well that it should not be completely disorganized by the kind of things we got into during the depression. But whenever you get a supply that is more than the total domestic use for an entire year in advance you know good and well that the real market is absolutely going to be destroyed. There are some people who are anxious to destroy our markets. We are not anxious to do that at all. We want to keep them strong.

Senator ANDERSON. Is it not true that if you had 20 percent of the crop free, moving in the market and destroying it, that you have a whole lot greater threat than when you have only 10 or 12 percent?

Mr. WOOLLEY. That is right.

Senator ANDERSON. I will be opposed to any increase above 15 acres or anything above 200 bushels. Do I understand that the Farm Bureau is of the same opinion?

Mr. WOOLLEY. Yes, sir. I think it is very important for this committee to understand that this is the reflection of the wheatgrowers in the commercial wheat areas as well as the other areas. They unanimously agreed at Omaha that this was not good for the Kansas wheat farmer, the North Dakota wheat farmer, the South Dakota wheat farmer, the Montana wheat farmer, the Pacific Northwest wheat farmer, nor the Ohio or Indiana or Illinois wheat farmer. They all agree this is not the right thing.

Senator YOUNG. How many wheat farmers did you have at that meeting?

Mr. WOOLLEY. We had I would say about 11 or 12 States represented at that meeting, and all of them are wheat farmers that came to the meeting.

Senator YOUNG. Do you think they exactly represent the feeling of all the wheat farmers?

Mr. WOOLLEY. No. I do not think they exactly represent everybody in North Dakota. I do not think that anybody exactly represents anybody in a representative system. You just cannot. Obviously there are people who have differences of opinion in every county and every State on any subject. But they certainly reflect the feeling of a high percentage of the people connected with the Farm Bureau.

Senator YOUNG. I think the vote, whether it is favorable or not, will depend a whole lot on the campaign conducted or position taken by the Department of Agriculture and the American Farm Bureau Federation. Suppose the wheat quota comes to a vote. What will the Farm Bureau do?

Mr. WOOLLEY. The Farm Bureau, I am sure, supports wholeheartedly the Agricultural Act of 1938, as amended, which provides for quotas when you are in a quota position, and I am sure they will be doing everything they know how to see that the facts are brought to everybody's attention with respect to it.

Senator YOUNG. Will you encourage them to vote for quotas or discourage them?

Mr. WOOLLEY. I have no reason to believe that they will do anything except encourage them to do so. The resolutions of the farm bureau's for years have endorsed the idea of marketing quotas, acreage allotments, and the responsibility of producers keeping supplies in line with demand.

Senator YOUNG. I would favor the retention of the 15-acre provision if I thought all of the facts were brought to every farmer. If the facts were brought to them I think they would vote favorably. If quotas are turned down you will have 50-percent supports and probably \$1.25-a-bushel wheat. That would not only seriously affect the wheat situation but corn, feed, and everything else. I think it would probably be the start of the worst depression we have ever had. The situation is bad enough now.

Senator ANDERSON. I think you can trust the Department of Agriculture to present this thing fairly. I think you can trust the Department of Agriculture to encourage the voting of quotas. The Department must know that this situation is such that quotas will be required. I would not worry at all on the 15-acre limitation, Senator Young, because you would have the Farm Bureau, you would have the Grange and you would have the Department of Agriculture, I am sure, militantly suggesting the desirability of these quotas.

Senator YOUNG. I think a whole lot will depend on just what effort is made to get to the individual farmer and get the facts to him. If they all were aware of the situation I think they would vote favorably.

Senator ANDERSON. We had a problem one time—Mr. Woolley may remember it, I have forgotten what particular quota it was—we were afraid they were going to turn down quotas at one time. I cannot remember whether it was peanuts or tobacco. It was one or the other. We were afraid there would be a bad vote on it. I remember that we had some student of the law. Do you recall that?

Mr. WOOLLEY. Peanuts.

Senator ANDERSON. I did issue some statement, or allowed Steve Pace to issue a statement—I do not believe the Secretary can get into it. Steve Pace brought up a statement in which he stated what he thought the position of the Department would be. That was widely circulated in front of the election. They did vote the quotas and were happy they voted them. What Mr. Shaw says about the operation of the tobacco program could not be more true. The way that has been administered, the way they have worked with it, has certainly shown the desirability of the quotas if you have reasonably good supports. I do not believe there is a doubt in the world but what the organizations that ought to support such a quota drive would support it, Senator Young. I would not say that if I were not really sure.

Senator YOUNG. Mr. Marshall?

Mr. MARSHALL. The comment I have to make, Senator, is based on the meeting that I attended last Tuesday night at Miller, Nebr., which is in the extreme west edge of Buffalo County, out just past the middle of the State, east and west; at which time I spoke at the meeting. I knew I was coming back here and knew the provisions of the bill in the House and I discussed this item of raising the acreage from 15 to 25 acres. This is the reaction I thought you would be interested in since you raised the question.

There were a number of questions asked. One fellow in particular who is a fairly substantial producer of wheat said, "I am in favor of marketing quotas and intended to vote for them; but if they are going to exempt everybody that produces 25 acres—that runs up to over half of the wheat producers—I am against it and I will vote to kill quotas if they raise that acreage because if they are going to leave those fellows out we might as well be all out." That is a statement he made. I saw several other fellows around there and I watched the reaction to that statement, and I saw half a dozen fellows nodding their heads. I think it will work in the direct opposite in a lot of areas where they will say if they leave half of them out by raising this, we will just vote them out and we will be done with it.

Senator YOUNG. When I was home about 2 weeks ago, I was there for only 1 day; about 8 o'clock at night I found out about a countywide

farm bureau being held in the little town of Berlin. I went there and thought I could sit in the sidelines unnoticed. I wanted to get the reaction of the farmers. I did not speak up until someone had about convinced the people there that if they voted down quotas the Secretary of Agriculture could still give supports up to 90 percent of parity.

After that was straightened out they took a vote and I think they were all unanimous in favor of quotas.

Senator ANDERSON. You get the facts to them on this matter and they will be in favor of quotas. You tell them that you do not have to have quotas, that the Secretary has authority to support the price anyhow and people naturally are going to want to resist quotas.

Senator YOUNG. Mr. Taylor?

Mr. TAYLOR. To supplement Secretary Anderson's remarks on the peanut referendum, our State turned down the peanut quotas but still over 50 percent of the peanut growers voted for quotas. There is another reason entirely that entered into the picture. Our acreage was cut from 183,000 to 143,000 acres. We did not have the history behind us to support it. Otherwise they would have supported quotas. The majority of them did. It takes 66 percent of them to do it. I want to put in the record our feeling on this national acreage allotment. I am personally agreeable to yield to the judgment and experience of Senator Anderson when he says that the Secretary cannot increase the national acreage allotment above that set in the law. Our feeling was that he could.

Senator ANDERSON. I think he can, Mr. Taylor, but he has to find there is an emergency existing. I do not believe that Ezra Benson would find an emergency existing if it required more wheat when he has that much wheat on hand.

Mr. TAYLOR. I agree with that. The third thing is with regard to the farmer's attitude toward quotas. Our resolutions up to last year, and last year just does not cover it—they want and are willing to support the full provisions in return for a support price, and it is so stated in our resolution many times. The individual farmers have that feeling individually, I know.

Senator SCHOEPPEL. Mr. Taylor, I will say that in my State, which you all know is a heavy wheat-producing State, there is a feeling this early that if this exemption is going to be too high, a lot of them are just not sure that they are going to go in there and penalize themselves. That is the thing I am afraid of. That is the reason why I was asking these questions. It is something that is pretty important for us to consider.

Mr. WOOLLEY. That is the real reflection of what the people in Omaha said. They said this is moving in the wrong way; we are taking the wheat business away from ourselves and giving it to somebody else. They said it did not make sense to have a program that hastens the day that we go out of business and put somebody else in business.

Senator SCHOEPPEL. That brings up what was discussed here. Senator Anderson pointed to it, and Senator Young. Namely, the dissemination of this information as to what the situation instantly confronting us happens to be, with all of its impact if we go on. I just have an abiding conviction. You men here represent this great and fine agriculture. You can certainly be of tremendous assistance to the Agriculture Department. I do not think the Department, from

what I have seen of it and heard from it in the last several weeks, is going to be soft-pedaling or minimizing the difficulties we are in. To do that is just sheer folly. I do believe that we have to watch very carefully the exempting of too much acreage for individuals, or we are going to get in trouble.

Senator YOUNG. Mr. Shaw?

Mr. SHAW. I have one further comment, Mr. Chairman. On this burley tobacco situation, I think we had a shining example of what happens if you go this route in dealing with surplus commodities. In the case of burley, after this minimum gadget has been put in the law, we got down to where, if we needed an adjustment of say 10 percent in burley acreage, you would have to set the adjustment because you had so many exemptions you would have to set it at 20 and take it out of the hides of just a few people. It almost completely—well, it headed in the direction of just completely destroying the burley tobacco program and reducing it to where you wouldn't have anybody in the program that would be producing over a fixed minimum regardless of what its history had been.

Senator YOUNG. You have some rather difficult adjustments to make. In South Carolina, I imagine, with those big atomic installation sites there, a lot of farmers are forced out of production and maybe in those counties affected they would have a pretty high level acreage of almost any crop under allotments.

In my State we have the Garrison Dam which takes out 450,000 acres. If you confine the reduction to just the counties affected they would be in pretty good shape. But if you have more acreage on a State level to work with in making adjustments I think you can do a fairer job.

Mr. Marshall?

Mr. MARSHALL. This has not been mentioned. We have not talked about it particularly yet. That is in regard to the heavy carryovers, in building up additional carryover. We have in the corn bins in Iowa stocks of corn that are up to 5 years old. The larger our carryover in any specific commodity gets, the older some portion of it tends to become. We have noticed in Nebraska, especially in our wheat area—I have my own wheat bins and wheat storage facilities—that we are having considerable more trouble with insect infestation, weevil and that type, in maintaining the condition of our grain stocks than we used to have.

It seems that there is a gradual trend to the increasing of insect population in an area where we did not have much trouble with the weevil at all. In the East it is more humid, and some of the Southern States have more trouble. It is spreading into our area. The advent of the Food and Drug people in this particular field has deferred action at the present, but they did not abandon it, they deferred it, as I understand it. That presents a problem of keeping stocks in condition. Wheat has a tendency to deteriorate pretty fast, especially if you are in an area where you have this weevil infestation. As I said, it is spreading. Heavy carryovers present an additional problem in the maintaining of its condition. When it gets to the point where it may be condemned by the Pure Food and Drug and thrown into livestock feed, then you get pressure put on corn and then if we follow this small minimum acres proposition over here, the increasing of the minimum acres over here, you will have the switch of wheat to the small

area and you will have the fellow out in the West where it is risky, planting corn because he has to do something with the additional acres he takes out.

It throws the production out of gear by the various areas that are geographically favorably located for the production of a specific crop.

Senator YOUNG. I would like to ask my old friend Frank Woolley a question. It is opening up a new subject. I notice in your statement you think 90 percent supports are largely responsible for the surplus situation. Ninety percent supports may to some extent encourage greater production, but I do not think it is the entire answer, or far from it. I would like to have you comment on this observation. In the spring wheat area we had either acreage control or quotas or both from 1938 to 1942. Then we had allotments again in 1950. The support level for wheat, for the crop year 1938, was 52 percent of parity. For the crop year 1939 it was 55 percent of parity. In 1940, it was 57 percent of parity. The amendment to the Agricultural Act of 1938 provided 85 percent supports on wheat for the crop years 1941 through 1943. We had lower support levels during those years than all have now and we had a bad surplus situation. How do you explain it?

Mr. WOOLLEY. If your question is that I believe price is the only factor in production, the answer is No. But if you have a guaranteed profitable price for a commodity, the more profitable it is the more you are inviting in additional people to put more resources in, to be in competition with the regular producers, and you create more production.

If you don't concurrently, with that action, increase your markets, you are destroying the traditional wheat producer by that action.

Senator YOUNG. On the other hand, as you know, the drop in farm prices in the past year, and more violently in the last few months, has already seriously affected our economy. Ford and General Motors have cut their truck production 40 percent. Allis-Chalmers tell me their tractor and farm machinery sales are down about 40 percent.

If you lower farm prices, you seriously affect your whole economy because approximately half of our entire population lives in little towns of 2,500 and less, and on the farms.

If you lower that farm income you lower the purchasing power of the consumers, do you not?

Mr. WOOLLEY. We are not for lowering income. We are for increasing his real income.

Senator YOUNG. I started something.

Mr. WOOLLEY. Yes. I think we ought to take a minute on this. This is the very crux of what that is all about. We want the farmer's real income to be as high as it can be. Now, where is the farmer today? The farmer is caught once again in a squeeze whereby the things that he is selling are going down, and the things that he is buying are going up.

Senator YOUNG. I noticed a report the day before yesterday that living costs are at an all-time high, and this in spite of the fact farm commodity prices are way down.

Mr. WOOLLEY. Yes. Farmers have the highest per capita investment of any industry in the United States. Their per capita investment is over \$14,000, while the average of other industries is only \$7,000. You go out in Illinois and the per capita investment

out there is \$44,000. If the farmer gets caught in his costs all the way down the line, if taxes are put in on raw materials at the first step in the process, the second step, and everything that he buys is higher and higher, no wonder he is in a bad position.

But what does this basically come from? That basically stems from a lot of very fundamentally unsound economics. The idea that you give this group something and you are going to give this group something, you are going to give this group something, and they tell the farmer "Get yours while the getting is good, take yours, because somebody else is getting it," instead of saying "We are going to stop everybody from getting what they shouldn't get," which will have the effect of holding down the costs. When you mine ore in the Mesabi Range you get a tax put on it. When you start moving it over the lakes, there is a tax put on it. When you mine the limestone in Indiana to marry with the iron ore, you get a tax on it. Where do those taxes all pop up?

The idea that the boys in Pittsburgh and Philadelphia and New York are paying the taxes, this is the fraud that is being perpetrated on the farmer. The farmer is paying taxes also. He is getting it in the neck because it all pops up in his costs. You see he doesn't get this net. The money is running through his hands but it doesn't stay there. We don't believe you ought to invite in additional competitors to farmers by insuring that they can come in and have a profitable price. We don't think you ought to invite in more and more way beyond your markets. If you are going to use your capital in this country intelligently, you are not going to move more capital into the production of more wheat when you are already drowning in the supply of wheat you already have. This is not an intelligent way to solve the problem. The intelligent way to solve the problem is to see that additional capital doesn't move into the production of additional wheat. Use the capital for something else that we want.

Senator YOUNG. There are many other things involved there.

Mr. WOOLLEY. That is basically what is going on.

Senator YOUNG. I cannot understand how a farmer can exist when everybody else can fix their costs and the farmers are the only ones that cannot.

Mr. WOOLLEY. If you invite more and more competitors in with that farmer, why do you not expect him to get into trouble?

Senator YOUNG. The farmer is about the only one now existing on a competitive basis.

Mr. WOOLLEY. Oh, no.

Senator YOUNG. Who else?

Mr. WOOLLEY. This is not right at all. The whole idea—that is the story that is sold, that if a fellow is being subsidized, this fellow is being subsidized and this fellow, and therefore you should get your subsidy whether it makes any sense or not. That is the very deal that is being sold. But at the same time you are bringing more and more facilities into the production of agricultural commodities and then the question is asked "Why is the farmer in trouble?" He is in trouble because you brought in more people in competition with him, you have saddled him with costs, and all on the premise that what he should do is accept more subsidies.

This is not sound economics any place.

Senator YOUNG. You look at farm price supports as direct subsidies?

Mr. WOOLLEY. Reasonable price supports which will help stabilize price and production, help operate a storage program, and which will iron out the wide fluctuations, are in the interest of the farmer. But whenever you get any program up to a point where it brings into the production of agricultural commodities competitors who have no business being in there, and who are not producing for the market but are producing for the Government, it is unsound and against the interest of the regular farm producers who are on a sound basis.

Senator YOUNG. I do not agree with you. That is a poor answer in my opinion to this whole situation.

Mr. WOOLLEY. We are in a mess by overproduction.

Senator YOUNG. Will you let the chairman say a word?

Mr. WOOLLEY. Surely, excuse me.

Senator YOUNG. In the past 2 years we imported approximately 250 million bushels of feed wheat, oats, rye, and barley from Canada. That seriously affected us in North Dakota. The costs to the Canadian farmer for production are far less. The rail costs and transportation costs are about a third of what ours are.

Their labor costs are way down. Canada is practically out of debt, which permits low taxes. How can we compete with them? As you know, the tariff on imports of agricultural commodities is only approximately half of the tariff or duty on industrial goods.

Mr. WOOLLEY. You are not saying that our trade with Canada is unsound, are you?

Senator YOUNG. I think it is at the present time. I do not think we should take unlimited quantities of oats, barley, and rye from Canada. I think it should be limited by quotas. The farmers of our country at least ought to know how much we are going to take from them next year. If we are going to compete with the Canadian farmers, we are going to be out of business. Obviously they can produce feed and wheat much cheaper than we can, for the reasons I stated.

Mr. WOOLLEY. That gets into the whole question of the theory of restrictions on the one hand versus expansion on the other. I do not believe that the competition of the Mississippi labor has lowered the standard of living for the people in Illinois, for example. Trade on a free basis between the 48 States has added to the strength of the United States and not detracted from it. I think likewise that if we were to trade with Canada, participate with Canada on a sound basis without devices—obviously you cannot pull them all down at one time—without those, instead of reducing the real income of the people of the North American Continent, including the United States and Canada, it would enhance that income; it would increase our real income here in the United States.

Senator YOUNG. Don't you think there should be a quota or limit?

Mr. WOOLLEY. I think you have to, within the existing framework of things, work them out on an intelligent basis step by step. I certainly do not think we are going to solve any problems if you move in the direction of adding more restrictions. We have got to expand our markets. Basically and fundamentally our wheat, our cotton, and many of our agricultural commodities are dependent, as to whether or not they are profitable or unprofitable, on whether or not we export

those commodities. Canada is a good cash purchaser of United States commodities. We should keep that relationship.

We are going to have to orient our policies toward exports.

Senator YOUNG. We have to import many commodities. We import more than a billion dollars worth of coffee each year. We actually import more farm commodities than we export. Our export of agricultural commodities has suffered far greater than exports of industrial commodities. I got a letter from a farmer the other day. He has three pieces of John Deere equipment. Stamped on each side of them is "Made in Canada."

Mr. WOOLLEY. This country is geared up both agriculturally and industrially and in the mass production industries to produce more efficiently than our competitors. The question is whether or not we will or will not price our commodities in such a way that we can compete.

Senator YOUNG. One of our big troubles, of course, is higher wages, higher standards of living, higher taxes. We are having more trouble getting our farm commodities to the consuming areas because of the tremendous transportation rates. The gentleman from Washington stated that problem well. That is one of our real problems. I do not know how we are going to exist out there in the Northwest unless we do more feeding. That is one of the answers to our North Dakota farmers. We have this very cheap grain.

My own boys on our farm are expanding feeding operations. They sold cattle in the St. Paul market last week for 22½ cents, which isn't too bad a price in comparison to the cost of our feed.

Mr. WOOLLEY. The price of that feed has to be reasonable in relation to other competitive feeds.

Senator YOUNG. I opened up this question, and I would not like to close it without each one of your States presidents commenting, if they wish.

Mr. GILLESPIE. I think what is causing our trouble in the wheat industry—causing a lot of our troubles in comparison with the Canadian wheat farmer—is that we have a price-support program in the United States that is an incentive program for continually expanding production, and it is also pricing us out of a lot of market that they don't have in Canada. I think that is one of the reasons why we are in this difficulty. Of course, the Canadian wheat farmers are in difficulty too as far as getting enough markets. But they are willing to sell at a lesser price. They do not have a high price-support program that is an incentive program and that keeps them expanding their production.

Senator YOUNG. Senator Mundt?

Senator MUNDT. I would like to comment on the analogy between the Mississippi laboringman and the Illinois laboringman as a true analogy with foreign trade because of the factors confronted by the Mississippi laboringman on the farm that I presume you are talking about, the farmer, and the Illinois farmer and his hired man, whereby they all share the same Federal income tax, transportation rates are the same, and interest rates are substantially the same.

When you start applying that same relationship to foreign countries, you run into a great many variations which upset all the calculations. I don't think we can conclude because trade between the States does not tend to reduce all to the lowest level that it would

not tend in the direction of reducing us to the lowest level if we just had free trade with all the nations of the world, because then the countries that do not have these great carrying costs and fixed charges and high standards of living will put their material into the American market.

As this gentleman said, we may price ourselves out of the market by keeping up a respectable level for American farm products, but we have also priced the Canadian merchandise into the American market and we will bring the foreign produce of the world into the American market if we insist, as I think we should, that the American farmer is entitled to the American standard of living the same as the American businessman and the American laborer. I do not see how we are going to operate on a theory that recognizes, as it does, in the importation of agricultural products that the manufacturer and the laborer are entitled to the American standard of living so they get American tariff protection, but when it comes to the farmer he is supposed to be in competition with the world.

I do not think that will work out.

Mr. WOOLLEY. Let me ask you if this is your thesis: that we should raise the support prices with respect to either agricultural or industrial commodities in the United States with the idea that price reflects standard of living by itself. You should raise it more and more to get more and more inefficient marginal producers into production in the United States that can compete less and less, and thereby raise your tariff walls and your restrictions to having commodities coming into this country higher and higher. Do you think that will reflect a higher standard of living; that you will have more goods and services to exchange among yourselves in the United States?

Senator MUNDT. It is followed by a good rule of reason. We have historical indices showing that we have done that. We have raised the standard of living by maintaining high levels of efficiency, by maintaining adequate protection. That has been done since colonial days.

Mr. WOOLLEY. By bringing more marginal production in?

Senator MUNDT. It has not resulted in that because we have become the most efficient country in the world. Your conclusions do not follow in this country.

Mr. WOOLLEY. What will we do with our production? What will we do with our wheat?

Senator MUNDT. Where we have a surplus I want to give the Commodity Credit Corporation authority to utilize that as procurement power abroad to bring into the country material that we do need, and it is not competitive with the American farmer and the American producer. We are in surplus in certain commodities on which we maintain a price floor. It is perfectly feasible and perfectly plausible, and nothing but the reluctance to try something new prevents our endeavoring to do it, to use that as a bartering wampum that the Indians use, to use it as a procurement power, to go out and buy the tin, tea, coffee, rubber, and bananas that we do not raise, bring them in and pay for them with things that we have in surplus. Then our surplus is gone and we have solved the problem instead of aggravating it.

Mr. WOOLLEY. We are very much concerned about finding firm markets for our production. We are convinced that, unless we do, we have to contract our agriculture plant.

Senator MUNDT. We have learned through lend-lease and through MSA and UNRRA and point 4 that we can find markets for American products long as we give them away. Instead of having the Government give them away, you propose to have the farmer give them away. They can get plenty of markets at that price and go broke. If he gives away 50 or 60 percent of it, the farmer, in my opinion, is entitled to the same kind of break that the industrialists get when they sell their material overseas.

They get the full cost of production plus a profit. Why shouldn't the farmer get it?

Mr. WOOLLEY. Are you suggesting that we should guarantee a profitable price to everybody that wants to be in any business?

Senator MUNDT. I am suggesting we apply the same rule of reason to the farmer that we have applied to the price structure generally, and to the laboring man by guaranteeing him a minimum wage.

Mr. WOOLLEY. Minimum wage and profitable price on an agricultural commodity are not the same thing.

Senator MUNDT. Pretty much the same thing as far as the recipient is concerned.

Mr. WOOLLEY. No, sir.

Senator MUNDT. Tell me what is wrong.

Mr. WOOLLEY. We believe that what we want is a minimum wage in effect as far as agriculture is concerned. That is not what we want as a wage. That is not it at all. That is not what the laboring man wants. If you think the laboring man is going to settle for 75 cents an hour, I am sure that you will agree that that is not what he wants to settle for.

Senator MUNDT. No. He has that as a floor, has he not?

Mr. WOOLLEY. What is his goal? His goal certainly is not that minimum. That is exactly what we want. There is a difference between 100 percent of parity. This is our goal. A fair wage is the laboring man's goal. He wants a minimum floor under there. That is what we want.

Senator MUNDT. We agree on the minimum floor. Let us talk about the goal. What is the difference between the goal that the maritime industry gets and what the farmer wants? The maritime industry gets it from its Government, a direct subsidy to build a ship. They get a direct subsidy to guarantee that they operate the ship at a profit because we say the maritime industry is important to the defense.

I guess that is right, although I am a landlubber from South Dakota. The farmer produces something which I think is just as important to national defense when you come to foodstuffs. He is operating in an area where you have fixed economy, regulations permeating the whole structure.

Mr. WOOLLEY. Which?

Senator MUNDT. The farmer operates in an economy where a great many fixed charges are prescribed. He cannot change them. Interest rates, transportation rates, he has to pay his share of all these other subsidies that go to the air industry and the maritime industry. He is operating in an area where the floor has been conducive—now we are back to wages—has been conducive to moving up from that floor because the Americans are ambitious so they get a wage contract.

They get a wage contract in steel. Steel goes up \$5 a ton. Who pays it? The farmer. Are you suggesting we ignore the farmer

and say "You bob around and around on the sea that goes up and down." He has to have the same philosophy behind him.

Mr. WOOLLEY. Your argument is that, inasmuch as you have to subsidize the merchant marine——

Senator MUNDT. I don't say we have to. We do.

Mr. WOOLLEY. Your argument is that, inasmuch as you subsidize the merchant marine on a profitable basis, that it is therefore necessary for the Federal Government to subsidize every other industry on a profitable basis?

Senator MUNDT. Not at all. I said we subsidize the merchant marine, we give the railroads and the trucks through the ICC a guaranteed rate; interest rates are fixed, and, because we have fixed wage-and-hour contracts, because we have so many fixed elements in the economy, you cannot permit the farmer not to have a protection which is in harmony with that philosophy.

If it is just the merchant marine, skip it.

Mr. WOOLLEY. We agree we have price supports. The question is do you want to suspend completely the market system and allocate? If you want to do that then you have gone completely away from our economic system and adopted a new system.

Senator MUNDT. You agree on price supports?

Mr. WOOLLEY. I agree we ought to have reasonable price supports. I was talking to Mr. Shaw and the boys on tobacco. They are strong for 90 percent on tobacco. Let me tell you: If you were to say to the tobacco producers that you are going to support the price not at 55 cents a pound on tobacco but at 75 cents a pound on tobacco, which would be more comparable to 90 cents on wheat that you have now, they would be in here with the fur flying, absolutely opposed to it, because it was going to destroy their market for tobacco and they could not sell it in the market. They would be against it.

Senator MUNDT. Against 90 percent support?

Mr. WOOLLEY. No. I said they would be against unreasonably high price supports.

Senator MUNDT. You say the price supports are high. On reasonable price supports I agree. I think 90 percent is reasonable. Do you agree with that?

Mr. WOOLLEY. If you say 90 percent on tobacco is reasonable, and that therefore——

Senator MUNDT. I use tobacco, but do not grow it. Talk about corn or wheat. I know more about that.

Mr. WOOLLEY. I want to get a point across to you. If you say 90 percent support on tobacco is reasonable, therefore 90 percent support on wheat is reasonable. It does not follow, because the way you calculate parity and what is in parity, and all of that jungle back in there, makes those kinds of easy assumptions absolutely false. They do not follow.

Senator YOUNG. If the farmer could exist without 90 percent supports, I would go along with you. But I do not think he can under our present economic conditions.

Mr. WOOLLEY. We are not advocating him going along without price supports. We are advocating him going along at such a point where you don't invite additional facilities in.

Senator YOUNG. Mr. Fleming?

STATEMENT OF ROGER FLEMING, SECRETARY-TREASURER,
AMERICAN FARM BUREAU FEDERATION

Mr. FLEMING. I would like to make three points quickly. Number one, I am sure Senator Mundt didn't intend in his discussion to infer that a million and a half farmers would themselves decide to decrease their income.

Senator MUNDT. I think that is right.

Mr. FLEMING. Therefore you can start with the assumption that it is their best judgment that their recommendations increase income to the producers. Any other assumption seems to me strange.

The second point, and it is reflected in the testimony of Mr. Woolley and the State presidents who are here, is that farmers have a characteristic that they like to keep their end of a bargain. They have supported the act of 1938, 1948, and 1949 on the philosophy that if the Government would provide a price support they would keep supplies in line with demand.

Now the question comes as to whether or not the farmer is going to keep his end of the bargain. That is what the discussion is all about with regard to this bill. This is one of the reasons that the representatives of our wheat-producing States had the firm conviction they had with regard to this bill because they don't want to be a party to misleading the American people into thinking that you can solve this problem this way by not adjusting, or secondly that they are unwilling to keep their end of the bargain. They want to keep their end of the bargain. A farmer's word is good. Anybody who gets them maneuvered into a position where they can not keep their word takes on substantial responsibility too, as we proceed to discuss the adjustment programs in the years ahead. Those are the two points I would like to make because we have gotten to the point, as Mr. Woolley's statement reflects here in terms of the supply situation, where we are going to demonstrate whether we mean it or not when we say we are going to keep supplies in line with effective demand.

That is why it is such a fundamental decision.

Senator MUNDT. I was late. I was in another committee hearing. What is your recommendation on the number of acres that this bill should contain?

Mr. WOOLLEY. Sixty million. This recommendation was formulated before the full knowledge of the last crop report was available to the effect that there was going to be 92½ million more bushels produced than had been indicated in a prior crop report.

Mr. MARSHALL. Senator Young, I have a friend who lives in Illinois. He plants clover every year. He told me that he used to always plant oats as a cover crop, a nurse crop for clover. But with high prices for wheat he did a little experimenting and found he could plant wheat in the fall, put his clover in in the spring, and take out a crop of wheat at a high price that would buy more oats than he could produce, so he went into the wheat production. He is part of the 79.9 wheat increase in Illinois, which he wasn't previously.

Senator MUNDT. Is he in the exempt class?

Mr. MARSHALL. Probably under the new classification he would be in the exempt class.

Mr. WOOLLEY. Before you came in, Senator Mundt, it came out very clearly here that there are definitely many big wheat producers out in

your country, in Kansas and the rest of the Great Plains area that are concerned about this from the standpoint of the amount of production it lets out from under, and they are saying if we are going to vote quotas on ourselves, we might as well throw the whole thing over and not vote quotas in this area.

This is not a completely unfounded point of view from their standpoint.

Senator MUNDT. I think you would agree, however, that if we are going to have a referendum on this that it is very important that the farmer vote these quotas, that we do not go down to 50 percent of parity.

Mr. WOOLLEY. Not at the expense, however, of excluding from voting such a high percentage of your farmers and such a sizable percentage of the production exempting them from quotas that you have created more problems than you have solved by what you have done.

Mr. GILLESPIE. After all, isn't that their decision to make? And shouldn't all farmers interested in really producing wheat have an opportunity to vote?

Mr. WOOLLEY. Twenty-five acres of wheat is pretty substantial.

Senator MUNDT. Where do you think the limit should be drawn? You wouldn't want every farmer to vote, one with a couple of acres of wheat, for example.

Mr. GILLESPIE. We might very well take a look to see whether that is too high or not under present conditions and under the things that it may do.

Senator MUNDT. Suppose you got it so small that the little fellow would say "It doesn't make any difference to me. I am going to vote against this." Then what?

Mr. GILLESPIE. We have to be realistic and face up to the proposition. If we are going to restrict our production and ask for high price supports, we have to do it. In order to have high price supports, we are going to have to restrict our production. We are going to have to hold it in line with market demands.

Senator MUNDT. What we are concerned about, what I am concerned about, and I think you are, too, I think it would be very serious to the economy of the country if the wheat farmer were to get 50 percent of parity for his wheat crop. Would you agree to that?

Mr. GILLESPIE. Yes; certainly.

Senator MUNDT. What we are concerned about is not getting in a position where the little fellows would vote the big fellows getting 50 percent of parity. You fellows are closer to the farmers than we are. It is on that that we need guidance. If we make a bad guess we can wreck the economy of the wheat farmer. It is bad for the country, the farm bureaus, and everybody.

Mr. MARSHALL. What sentiment I have sampled, I have done fairly. I have presented the picture and have not given a distorted one that the Secretary could give on supports and so forth. I gave it very clearly, if marketing quotas were rejected, what would happen to your price supports and so forth. I have had the reaction since the time that the bill was in the House, so we knew this proposal was up to increase the acres below which the minimum was not affected. The

big producers have the definite reaction that if we are going to leave that many out we may as well all stay out and vote against it. I have had that reaction in the country.

I am afraid it will act in the opposite direction than the one we had hoped to get by getting the wheat producer, strictly wheat producer, to say that this other fellow is going to be out from under, he has a chance to diversify, and so on, if that is going to be the case we will vote him in.

Senator YOUNG. That is a point worth considering.

Senator MUNDT. A very interesting observation. We are concerned about the 50 percent of parity. It will precipitate a depression in the Farm Belt that will go through our whole economy.

Mr. SHAW. I would like to ask a question and this is for the consideration of this committee. Don't wheat producers need to take a serious look at their method of calculating parity, in view of the fact that we have made such tremendous strides technologically? Wheat has pulled itself away from the other commodities on the related basis. One of our statisticians had a rundown some time ago from down in our State showing what the average commodity producer earned.

The tobacco man earns about \$1 an hour. The cotton man about \$1-some cents an hour. The dairyman a little less than a dollar an hour, but we allow him to work 7 days a week and 24 hours a day so he gets a lot of overtime. That is not meant to be sarcastic. But the wheatgrower, according to our folks, makes about \$4 an hour on the same basis.

I am asking that as a question. I am not stating it as a fact. I am posing it as a question to the committee that they might suggest to the wheatgrowers that they take a look at this and see if it has unrelated itself marketwise to the rest of the commodities we deal with.

Senator YOUNG. I may say that about two-thirds of the farmers in my State are in a rather bad way financially. I don't think the \$4 figure is anywhere near right. I do think we should take a new look at the parity formulas. Wheat of course is a hazardous crop to raise. It is true we have been fortunate in the last 10 years in producing pretty good crops. But it is doubtful whether you will have that favorable situation in the future.

I agree that we should take a new look at the entire parity formula situation. Are there any other questions or statements?

It has been a pleasure to have you people here this morning. Your testimony has been very helpful to the committee. Thank you very much. That concludes the hearing.

(Whereupon, at 12:18 p. m., the committee meeting was concluded.)

STATEMENT FILED BY THE HONORABLE WILLIAM LANGER, UNITED STATES SENATOR
FROM THE STATE OF NORTH DAKOTA

I am filing this statement with your committee for incorporation in the hearings just conducted on S. 2099, introduced by Senators Aiken, Andrew Schoeppel, and Milton R. Young which would exempt farms of 25 acres or less from wheat marketing quotas in lieu of the present limitation of 15 acres, and would exempt farms normally producing less than 400 bushels of wheat from quotas, compared to the present limit of 200 bushels.

I am strongly in favor of this bill, although I am inclined to feel that the minimum national acreage allotment for the 1954 crop year should be not less than 66 million, rather than 62 million as provided for in S. 2099. Representing a farm State as I do, I am expressly interested in seeing that this measure is approved and enacted.

(Letter filed by the Honorable Lester C. HUNT:)

WYOMING FARM BUREAU FEDERATION,
Laramie, Wyo., June 24, 1953.

Hon. LESTER C. HUNT,
*United States Senator,
Senate Office Building, Washington, D. C.*

DEAR SENATOR HUNT: Farm bureau members in Wyoming have been watching with keen interest the progress on H. R. 5451 and Senator Mundt's resolution to increase the carryover of wheat and corn.

Recently a wheat meeting was hurriedly called by the American Farm Bureau Federation to examine these developments. Wyoming had four representatives present, including Reuben V. Anderson, president of the Wyoming Farm Bureau Federation. Other principal wheat-growing States of the country were equally represented.

This group was unanimously opposed to the Mundt Joint Resolution No. 79. Other recommendations included some major changes or amendments to H. R. 5451. These changes will be called to your attention by the American Farm Bureau Federation. We urge your support of these changes in the bill. Had flexible support prices been in effect the past few years, this problem of burdensome surpluses would have taken care of the situation. A large percentage of the increase in wheat acreage has come from areas east of the Mississippi. In other words, high supports have made it profitable to grow wheat in these nonwheat areas. Farm bureau has proposed a sound method of disposing of a portion of our surpluses through the Mutual Security Administration.

These, among other sound proposals advocated by the American Farm Bureau Federation, have the unqualified support of farm bureau members in Wyoming and certainly warrant your support. We in Wyoming certainly appreciate your efforts in continuing to battle for a sound program.

Sincerely,

J. W. PAULSON, *Executive Secretary.*

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 29, 1953
For actions of May 28, 1953
83rd-1st, No. 98

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HIGHLIGHTS: Senate committee reported State, Justice, Commerce appropriation bill. Sen. Eastland urged bartering surplus commodities for foreign goods. House requested conference on executive leave bill.

HOUSE

1. PERSONNEL; LEAVE. Disagreed to Senate amendments on H. R. 4654, exempting certain Government officials from the Annual and Sick Leave Act of 1951, and requested a conference, appointing Reps. Rees, Corbett, St. George, Murray, and Davis (Ga.) as conferees (p. 5975).
2. SMALL BUSINESS. The Banking and Currency Committee reported with amendment H. R. 5141, to create a Small Business Administration (H. Rept. 494)(p. 5978).
3. GRAZING LAND. Rep. D'Wart inserted two letters favoring his bill, H. R. 4023, the stockmen's grazing bill (pp. 5970-2).
4. ADJOURNED until Mon., June 1 (p. 5978). Legislative program, as modified (see Digest No. 97), as stated in "Daily Digest": Mon., no business scheduled; with Consent Calendar on Tues.; Wed. and balance of week, Reorganization Plan No. 2 on this Department, and H. R. 4406 and H. R. 992, establishing commissions on governmental functions and organization of the executive branch (p. D485).

SENATE

5. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 4974 the State, Justice, Commerce appropriation bill for 1954 (S. Rept. 309)(p. 5940) Sen. Bridges submitted 10 notices of intention to suspend the rules for proposing amendments to this bill, including amendments which would permit the Secretaries of State and Commerce and the Attorney General, during the 1954 fiscal year, to terminate the employment of any officer or employee of their respective

"whenever [they] shall deem such termination necessary or advisable in the interests of the United States" (pp. 5940-2).

6. FOREIGN TRADE. The Rules and Administration Committee reported with additional amendments S. Res. 25, providing for an investigation of means to expand foreign investment and trade (S. Rept. 310) (pp. 5940).

7. SURPLUS COMMODITIES. Sen. Eastland spoke on the food surplus problem, saying these surpluses, "with falling export markets, if permitted to accumulate, will blow up the farm support-price program," and urging bartering surplus farm products for foreign military equipment (pp. 5943-5).

8. NOMINATION. Received the nomination of Nelson A. Rockefeller to be Under Secretary of Health, Education, and Welfare (p. 5962).

9. RECESSED until Mon., June 1 (p. 5961).

BILLS INTRODUCED

10. CERTIFYING PAYMENTS. S. 2018, by Sen. Langer, to relieve disbursing officers, certifying officers, and payees with respect to certain payments made in contravention of appropriation restrictions regarding citizenship status; to Judiciary Committee (p. 5940).

11. IMMIGRATION. H. R. 5450, by Rep. Heller, to admit 100,000 immigrants who are natives and citizens of Italy; to Judiciary Committee (p. 5969).

12. MARKETING QUOTAS. H. R. 5451, by Rep. Hope, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to Agriculture Committee (p. 5979).

13. FARM LOANS. H. R. 5456, by Rep. Ayres, to extend to June 30, 1954, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor; to Veterans' Affairs (p. 5979).

14. BUDGETING. H. Res. 258, by Rep. Coudert, creating a select committee to conduct an investigation and study of how the annual budget may be balanced and deficit financing eliminated; to Rules Committee (p. 5979).

ITEMS IN APPENDIX

15. BEEF PRICES. Sen. Hickenlooper inserted a discussion by J. C. Holbert, Iowa Beef Producers Association, on the reasons for lower beef prices and the steps that should be taken by the Government to stabilize the market (pp. A3192-3).

16. DAIRY INDUSTRY. Rep. Hope inserted a report titled "Effect of Lower Corn Price Supports on Milk Production Costs" (p. A3194).

17. PRICE CONTROLS. Rep. Multer inserted a California Law Review article titled "Price Stabilization During a Period of Cold War" (pp. A3199-203).

Rep. Hiestand inserted the testimony of Merrell DeGraff for the American Meat Institute before the H. Banking and Currency Committee opposing standby price-control legislation (pp. A3217-20).

18. FLOOD CONTROL. Rep. Smith (Miss.) inserted an address of Maj. Gen. Samuel Stur-

83D CONGRESS
1ST SESSION

H. R. 5451

IN THE HOUSE OF REPRESENTATIVES

MAY 28, 1953

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 301 (b) of the Agricultural Adjustment Act
4 of 1938, as amended, is amended as follows:

5 (a) By striking out in paragraph (8) the language
6 “during the ten calendar years in the case of wheat, and
7 during the five calendar years in the case of cotton,” and
8 inserting in lieu thereof the language “during the five
9 calendar years”; and by deleting the language “and, in the
10 case of wheat, but not in the case of cotton, for trends in
11 yields”.

1 (b) By striking out in paragraph (13) (A) the
2 language "per acre of corn or wheat" and inserting in lieu
3 thereof the language "per acre of the commodity"; by insert-
4 ing in the first sentence immediately after the language
5 "ten calendar years" the language "in the case of corn,
6 and five calendar years in the case of wheat,"; by inserting
7 in the first sentence immediately after the language "weather
8 conditions and" the language "in the case of corn, but not
9 in the case of wheat, for"; by striking out in the second
10 sentence the language "ten calendar years" and inserting in
11 lieu thereof the language "ten or five calendar years, as the
12 case may be,"; and by striking out in the second sentence
13 the language "ten years" and inserting in lieu thereof the
14 language "ten or five years".

15 (c) By striking out in paragraph (13) (E) the
16 language "and wheat, but not in the case of cotton or
17 peanuts" and inserting in lieu thereof the language " , but
18 not in the case of cotton, wheat, or peanuts"; and striking
19 out the language "and wheat, and five calendar years in the
20 case of cotton or peanuts" and inserting in lieu thereof the
21 language "and five calendar years in the case of cotton,
22 wheat, or peanuts".

23 SEC. 2. Section 334 of the Agricultural Adjustment
24 Act of 1938, as amended, is amended as follows:

25 (a) By inserting in subsection (a) after the words

1 “The national acreage allotment for wheat” the language
2 “, less a reserve of not to exceed 1 per centum thereof for
3 apportionment as provided in this subsection,”.

4 (b) By adding at the end of subsection (a) a new
5 sentence to read as follows: “The reserve acreage set aside
6 herein for apportionment by the Secretary shall be used
7 to make allotments to counties, in addition to the county
8 allotments made under subsection (b) of this section, on
9 the basis of the relative needs of counties for additional
10 allotment because of reclamation and other new areas
11 coming into the production of wheat during the five cal-
12 endar years immediately preceding the calendar year in
13 which the national acreage allotment is proclaimed.”

14 (c) By striking out in subsections (a) and (b) the
15 word “ten” wherever it appears and inserting in lieu thereof
16 the word “five”.

17 (d) By inserting in subsection (b) after the words
18 “The State acreage allotment for wheat” the language “, less
19 a reserve of not to exceed 3 per centum thereof for apportion-
20 ment as provided in subsection (c) of this section,”.

21 (e) By inserting in the first sentence of subsection (c)
22 after the words “on the basis of” the language “past acreage
23 of wheat,”.

24 (f) By striking out in the second sentence of subsec-

1 tion (c) the words "such county" and inserting in lieu
2 thereof the words "the State".

3 (g) By striking out in subsection (d) the figure
4 "1940" and inserting in lieu thereof the figure "1950".

5 SEC. 3. Section 335 (d) of the Agricultural Adjust-
6 ment Act of 1938, as amended, is amended by striking out
7 the figure "200" and inserting in lieu thereof the figure
8 "400".

9 SEC. 4. Public Law 74, Seventy-seventh Congress (55
10 Stat. 203), as amended, is amended as follows:

11 (a) By striking out in the second sentence of para-
12 graph (2) the language "50 per centum of the basic rate of
13 the loan on the commodity for cooperators for such market-
14 ing year under section 302 of the Act and this resolution."
15 and inserting in lieu thereof the language "50 per centum
16 of the parity price per bushel of the commodity, as of
17 August 1 and May 1, respectively, of the calendar year in
18 which the crop is harvested."

19 (b) By striking out in paragraph (7) the figure "15"
20 wherever it appears therein and inserting in lieu thereof the
21 figure "25".

22 SEC. 5. Notwithstanding any other provision of law, the
23 national acreage allotment for the 1954 crop of wheat shall
24 not be less than sixty-six million acres.

1 SEC. 6. Sections 1, 2, 3, and 4 of this Act shall become
2 effective with respect to the 1954 and subsequent crops of
3 wheat.

83^d CONGRESS
1st Session

H. R. 5451

A BILL

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

By Mr. HOPE

MAY 28, 1953

Referred to the Committee on Agriculture

H. R. 5448. A bill to amend chapter 83 of title 18, United States Code, so as to make certain foreign publications nonmailable unless they bear an appropriate label indicating the country of origin, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FRAZIER:

H. R. 5449. A bill to amend section 47c of the National Defense Act of June 3, 1916, as amended; to the Committee on Armed Services.

By Mr. HELLER:

H. R. 5450. A bill to admit 100,000 immigrants who are natives and citizens of Italy; to the Committee on the Judiciary.

By Mr. HOPE:

H. R. 5451. A bill to amend the wheat-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. McDONOUGH:

H. R. 5452. A bill to amend the Internal Revenue Code, act of February 10, 1939; to the Committee on Ways and Means.

By Mr. MACK of Illinois:

H. R. 5453. A bill to amend section 22 (b) (13) of the Internal Revenue Code to provide that the exclusion from gross income in the case of members of the Armed Forces serving on active duty in a combat zone during any month shall not apply unless the individual serves for at least 6 days; to the Committee on Ways and Means.

By Mr. PRIEST:

H. R. 5454. A bill to provide for the construction of a Veterans' Administration hospital, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SCHERER:

H. R. 5455. A bill for the relief of the Board of County Commissioners of Hamilton

County, Ohio; to the Committee on the Judiciary.

By Mr. AYRES:

H. R. 5456. A bill to extend to June 30, 1954, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BENTSEN:

H. Res. 257. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the status of local service airlines under the Civil Aeronautics Act of 1938; to the Committee on Rules.

By Mr. COUDERT:

H. Res. 258. Resolution creating a select committee to conduct an investigation and study of how the annual budget may be balanced and deficit financing eliminated; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5457. A bill to authorize and direct the sale of certain land in Alaska to John Ekonomos, of the Fairbanks Precinct, Alaska; to the Committee on Interior and Insular Affairs.

By Mr. BRAMBLETT:

H. R. 5458. A bill for the relief of William Nasato, Josephine Nasato, and Carolyn M. Nasato; to the Committee on the Judiciary.

H. R. 5459. A bill for the relief of Takeko Ishiki; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 5460. A bill for the relief of Sgt. Chancy C. Newsom; to the Committee on the Judiciary.

By Mr. DEROUNLAN:

H. R. 5461. A bill for the relief of Wah Chang Corp.; to the Committee on the Judiciary.

By Mr. GOODWIN:

H. R. 5462. A bill for the relief of Mrs. Romana Michelina Serini; to the Committee on the Judiciary.

By Mr. HAGEN of Minnesota:

H. R. 5463. A bill for the relief of Pauline Ann Dufault and Michael Francis Dufault; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 5464. A bill for the relief of Nicola Scala di Antonio; to the Committee on the Judiciary.

H. R. 5465. A bill for the relief of Nicola Scala di Felice; to the Committee on the Judiciary.

By Mr. REES of Kansas:

H. R. 5466. A bill for the relief of Mrs. Amy Louise Cowan Tarrant; to the Committee on the Judiciary.

By Mr. THOMAS:

H. R. 5467. A bill for the relief of Francis A. Reilly; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 5468. A bill for the relief of Sidney Blechman; to the Committee on the Judiciary.

H. R. 5469. A bill for the relief of Alton B. York; to the Committee on the Judiciary.

By Mr. WIDNALL:

H. R. 5470. A bill for the relief of Salvatore Mario Veltri; to the Committee on the Judiciary.

13. BEEF PURCHASES; TARIFFS. Received Calif. Legislature resolutions urging Congress to continue the Buy-American policy with respect to beef purchases for the armed forces, and to increase tariffs wherever possible to provide "adequate protection to the agricultural and livestock industry" (pp. 6368, 6369).
14. HAWAII STATEHOOD. Received a Hawaii Legislature resolution urging statehood for Hawaii (p. 6369).
15. RECESSED until Wed., June 10 (p. 6407).

HOUSE

16. ECONOMIC CONTROLS. The Banking and Currency Committee reported (June 6, during adjournment) with amendment S. 1081, providing for temporary economic controls (H. Rept. 516). A resolution for the consideration of this bill was also reported (p. 6432). As reported, S. 1081 includes provisions as follows:
- Revises the priorities-allocations title so as to omit the provisions on livestock slaughtering; provide that the powers shall not be used to control the general distribution of any material in the civilian market unless the President finds (1) that the material is scarce and critical, and essential to national defense, and (2) that national-defense requirements for the material cannot otherwise be met without creating a significant dislocation of distribution in the civilian market to a degree creating appreciable hardship; and omit the provisions concerning the International Materials Conference.
- Amends the V-loan program so as to (1) make clear that guaranties may be made in connection with termination of Government contracts and (2) provide that no small-business concern shall be denied a guaranty merely because an alternative source of supply exists.
- Continues until June 30, 1954, the provisions relating to priorities, allocations, hoarding, import controls, expansion of productive capacity and supply, and general provisions relating to administration.
- Provides for termination on June 30, 1953, of provisions relating to requisition, condemnation, real-estate construction credit controls, and small Defense Plants Administration. (The provisions regarding price and wage controls expired April 30, 1953.)
- The House committee version does not contain the standby economic freeze provisions.
- Regarding import controls, the committee report states: "...It is the understanding of the committee that revision of section 22 of the Agricultural Adjustment Act of 1933 to deal effectively with this situation is under active consideration. Pending such revision the Committee believes that section 104 should be continued."
17. APPROPRIATIONS. Received the conference report on H.R. 4664, third supplemental appropriations bill for 1953 (H. Rept. 517) (pp. 6420-21). The conferees agreed to \$7,500,000 for rural telephone loans, instead of \$15,000,000 as proposed by the Senate. (The House version included no item on this subject.)
18. WHEAT MARKETING QUOTA. The Agriculture Committee reported with amendment H.R. 5451, to amend the wheat-marketing quota provisions of the Agricultural Adjustment Act of 1938 (H. Rept. 520) (p. 6432).
19. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment H.R. 3203, to prohibit the ICC from regulating the duration of certain leases for the use of equipment by motor carriers, and the amount of compensation to be paid for such use (H. Rept. 519) (p. 6432).

20. FARM PRICES. Rep. Thornberry inserted a letter and editorial discussing the effect of low cattle prices on cattle raisers and the community, and the need for price supports on farm products (pp. 6408-09).
21. CORN STORAGE. Rep. Dolliver discussed the corn storage problem in Iowa and urged CCC to move corn on farms as soon as possible and to provide additional storage space (p. 6410).
22. FLOOD CONTROL. Rep. D'Ewart stated that the proclamation by the President and the Montana Governor of a flood disaster area in parts of Montana, makes available to these areas the full support of Government agencies, including loans from FHA (p. 6424).
23. FARM PROGRAM. Received a local Grange petition favoring the "adoption of the Benson Plan over the Brannan Plan" and congratulating the Secretary on his program (p. 6433).
24. APPROPRIATIONS. H. Doc. 162 includes supplemental appropriation estimates as follows: Committee on Retirement Policy for Federal Personnel, \$410,000. Commission on Intergovernmental Relations, \$500,000. Export control Commerce Department, \$4,800,000.

ITEMS IN APPENDIX

25. GRAZING LANDS. Extension of remarks of Rep. D'Ewart including a Montana State Farm Bureau News article favoring H.R. 4023, the stockmen's grazing bill (p. A3446).
26. RECLAMATION. Extension of remarks of Rep. Magnuson discussing a Wall Street Journal article on the development of the Columbia River Basin (p. A3469).
27. GRAIN STORAGE. Rep. Hillelson inserted his letter to Howard Gordon, PMA, "protesting the lack of storage facilities for grain" and urging that every effort be made to secure additional storage space (p. A3472).
28. VETERANS' PREFERENCE. Rep. O'Hara inserted two American Legion statements favoring veterans' preference in employment (pp. A3476-8).

BILLS INTRODUCED

29. FOREST LOANS. S. 2069, by Sen. Cordon; and H.R. 5603, by Rep. Ellsworth, to amend the Federal Reserve Act so as to authorize national banking associations to make loans on forest tracts; to Banking and Currency Committee (pp. 6370, 6433). Remarks of author (pp. 6370-1).
30. TAXATION. H.R. 5597, by Rep. Campbell, relating to the tax treatment to be afforded under section 117 (j) (3) of the Internal Revenue Code in certain cases involving the sale, exchange, or conversion of land with unharvested crops thereon; to Ways and Means Committee (p. 6433).
31. COOPERATIVES. H.R. 5598, by Rep. Davis, to provide tax equity through the taxation of cooperative corporations and to provide tax credits for recipients of dividends from genuine cooperatives; to Ways and Means Committee (p. 6433). Remarks of author (pp. 6425-6).

WHEAT-MARKETING QUOTAS

JUNE 8, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOPE, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 5451]

The Committee on Agriculture, to whom was referred the bill (H. R. 5451) to amend the wheat-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follow:

Page 1, line 3, after the word "That", strike out all the rest of section 1.

Page 2, line 23, strike out "Sec. 2".

Page 3, line 3, strike out the figure "1" and insert the word "one".

Page 3, line 11, strike out "five" and insert "ten".

Page 3, lines 14-16, strike out all of subsection (c) and reletter subsections (d), (e), (f), and (g) to conform.

Page 4, line 5, change "Sec. 3" to "Sec. 2".

Page 4, line 7, strike out "figure '200' " and insert "words 'two hundred' ".

Page 4, line 9, change "Sec. 4" to "Sec. 3".

Page 4, line 12, immediately following the quotation marks and preceding the figure "50", insert "shall be".

Page 4, line 15, strike out the figure "50" and insert "on wheat shall be 45".

Page 4, line 16, strike out "the commodity" and insert "wheat".

Page 4, line 17, strike out "August 1 and May 1, respectively" and insert "May 1".

Page 4, line 19, strike out "figure '15' " and insert "word 'fifteen' ".

Page 4, line 22, change "Sec. 5" to "Sec. 4".

Page 5, line 1, change "Sec. 6" to "Sec. 5"; strike out "sections 1, 2, 3, and 4" and insert "sections 1, 2, and 3".

GENERAL STATEMENT

Not since 1941 has our wheat-supply position been such that marketing quotas have been necessary and there has been, therefore, no major revision of our wheat-marketing-quota laws since the late 1930's. It is now apparent that our supply position is such that marketing quotas on the 1954 crop of wheat (a major portion of which will be planted in the late summer and early fall of 1953) will be necessary. Because there has been no necessity to use the marketing-quota law applying to wheat for the past 12 years, several important provisions of that legislation are seriously out of line with the developments in agriculture which have taken place in the United States in the past decade and with the new obligations to other countries which the United States has assumed since 1930. What was then considered to be an adequate carryover of wheat for normal purposes would now be regarded as inadequate for a normal carryover and perhaps foolishly low in view of our increased international commitments. What was then regarded as an adequate wheat acreage would not now meet our ordinary needs.

Under the marketing-quota law, the Secretary of Agriculture is required to declare marketing quotas in effect when the total supply of wheat in the United States estimated to be on hand at the end of the approaching marketing year (June 30 of each year) will be more than 120 percent of a "normal" supply. It now appears that our total supply of wheat at the end of the 1953 marketing year (June 30, 1954) will be in the neighborhood of 135 percent of a "normal supply" and that a declaration of marketing quotas by the Secretary for 1954 will be inevitable.

If the Secretary does have to proclaim marketing quotas for the 1954 wheat crop, the law requires that he must make such a proclamation by July 1, 1953. By July 15, 1953, he must announce the national acreage allotment, and by July 24, 1953, he must conduct a referendum among wheatgrowers to determine whether or not they will accept marketing quotas. The law requires that each farmer shall have been informed of his individual marketing quota before the day on which the referendum is held.

It is obvious, therefore, that time is of the essence in making such essential changes in our wheat-marketing-quota law as are necessary in order to permit the Secretary of Agriculture to announce within the next 5 weeks marketing quotas that will be administratively feasible and which will, at the same time, not endanger either our own agricultural economy or our obligation to friendly nations.

MAJOR PROVISIONS OF THE BILL

Increase in minimum national allotment.—Under the marketing quota laws applying to the basic commodities, the size of a national acreage allotment and marketing quota is determined by a formula which takes into account the factors of supply, anticipated production, and probable demand. Because mere arithmetical calculations can never take into consideration intangibles such as human welfare, the national economy, the state of world affairs, and possible future commitments, it has been found necessary to establish from time to time statutory acreage minimums below which the figures of the formula would not be permitted to go, regardless of the arithmetic involved.

In the case of wheat, this minimum was established in 1939 at 55 million acres. It has not been increased since that time only because it has not been necessary to invoke marketing quotas on wheat since 1941. In the 14 years since 1939, the actual planted acreage of wheat has been well above the 55-million-acre minimum in every year but one, and we have used up, as of this date, all but about 650 million bushels of the 14,474 million bushels we have produced in that time.

One of the major provisions in this bill is to increase the minimum permissible acreage allotment of wheat for 1954 from 55 million acres to 66 million acres. This means that, regardless of the arithmetic of the marketing quota formula, the Secretary of Agriculture will not establish a national acreage allotment of less than 66 million acres in 1954, and will adjust the State and individual acreage and marketing quotas accordingly.

This section of the bill is made to apply to 1954 only. It is clear that there needs to be reconsideration of our basic quota law with regard to those provisions dealing with the desirable size of the carry-over and the amount of wheat which should be carried consistently in reserve to meet contingencies. Since there has been considerable debate about these matters for the past 2 years without there being unanimous agreement on the matter, it seemed to the committee desirable not to try to resolve that issue on a permanent basis at this time, in view of the urgent need of having a workable law before July 1, but to take care of the situation for 1954 by merely increasing the minimum national allotment to the figure of 66 million acres.

The figure of 66 million acres was chosen for several reasons. At normal yields, this acreage will produce a crop of wheat which will neither increase nor decrease our supply but, with exports at a level at which they may not be reasonably anticipated, will leave us with a supply of wheat at the end of the 1954 season the same size as our supply at the beginning of that crop year. For the past several years, our national wheat acreage has been in the neighborhood of 78 million acres and a reduction in 1954 to the present statutory minimum of 66 million acres would mean a reduction of 30 percent in wheat acreage in one year. This would present an almost insurmountable problem to the wheat segment of our agriculture and would leave some 23 million acres now in wheat which could not be planted to wheat in 1954. Increasing the statutory minimum to 66 million acres will cut the problem in half by requiring a reduction of only about 15 percent in wheat acreage in 1954 and leaving only some 12 million acres to be taken out of wheat and put to some other use.

Increase in small-grower exemption.—Under the existing provisions of the wheat-quota law, farmers who plant less than 15 acres of wheat or who produce less than 200 bushels per year are exempt from the necessity of obtaining and complying with marketing quotas. All wheat growers, big and little, receive acreage allotments and must comply with their acreage allotment if they wish to participate in the price-support program.

In the administration of marketing quotas, however, it has been found that for several reasons the volume of wheat actually put on the market by farmers with small wheat acreages is so relatively insignificant that the administrative expense of checking and measuring their acreages and issuing quota certificates is out of proportion with

the effect of these small acreages on the market. A similar distinction is made in corn acreage allotments, which are issued only to farmers in the commercial corn-producing areas, while farmers outside the commercial corn areas are free of acreage-allotment restrictions.

Commercial wheat production in the United States is concentrated in a few areas which are singularly well adapted to wheat production and in a large part of which there is no other cash crop which can be produced successfully on a commercial basis. In these commercial wheat areas, virtually all the wheat farms will far exceed in size the 25-acre exemption authorized by this bill and will, therefore, all be subject to marketing quotas.

In the noncommercial wheat areas of the United States, wheat is grown primarily as a rotation crop with corn, soybeans, legumes, and other crops, and as a nursecrop for pasture and hay. In these areas are found the small acreages which will be exempt from marketing quotas under this bill. On many of these farms, wheat is not a commercial crop, and most of it is fed on the farm where it is grown. To subject these small wheat acreages to marketing quotas would have, therefore, no appreciable effect on the quantity of wheat reaching the market as grain and would, in many cases, seriously interfere with the farmer's sound rotation practices. If a Virginia farmer, for example, had a 20-acre field in which he customarily followed corn with wheat and then with 3 years of hay, the application of marketing quotas to him would merely mean that he would be forced to curtail his use of wheat as a nursecrop for hay on part of his 20-acre field and would have his rotation thrown seriously out of gear.

Since the regulation through marketing quotas of small wheat acreages is not considered by the Department of Agriculture and other experts on wheat production to be necessary to the successful operation of a sound marketing-quota program, the committee feels that it is consistent with the principle of not imposing on the American people any more regulation than is absolutely necessary to exempt from the wheat-marketing provisions those farmers with wheat acreages of 25 acres or less.

Acreage reserves.—The bill establishes more flexible reserves of the wheat acreage allotment to be used in making equitable allotments in unusual cases. It establishes a national reserve of 1 percent of the national allotment, which is new, and provides that the existing reserve of 3 percent of the allotted acreage, which has heretofore been set aside at the county level, will be set aside at the State level for use at those places within the State where it is most needed. This will permit considerably greater flexibility in the handling of these reserves and follows provisions which have been found to be beneficial in other marketing-quota programs.

Clarification of penalty provisions.—Prior to the enactment of the Agricultural Act of 1949, the penalty for exceeding the farm marketing quota on wheat was 50 percent of the support price. By inadvertence, the provisions of the act of 1949 raised doubt as to whether or not that penalty provision was still in effect. Since there have been no wheat-marketing quotas since that time, there has been no necessity for a legal determination of this point. This bill will remove any doubt by providing for the establishment of penalties for exceeding the farm marketing quota at the same rate as was provided prior to

the act of 1949. To simplify the administration of the provision, this bill provides that the amount of the penalty shall be 45 percent of the parity price, instead of 50 percent of the support price, although both work out to exactly the same amount in terms of money.

ANALYSIS OF THE BILL

Section 1

Subsections (a) and (b) provide for the establishment and apportionment of a national acreage reserve of not to exceed 1 percent of the national allotment for apportionment to counties in addition to the regular county allotments. This reserve is needed primarily because of the short history of many farms in reclamation and other new areas where the production of wheat has expanded rapidly in recent years. The establishment of such reserve would permit the alleviating of inequities by administrative action which in the past has required special legislation such as Public Law 272, 81st Congress.

Subsections (c) and (e) place the acreage reserve for "new" wheat farms on a State basis. Under existing wheat legislation, the reserve for new farms is fixed at not to exceed 3 percent of the county allotment. It has been found that such county reserve is inadequate in many of the counties where the total acreage seeded to wheat is relatively small, and it is believed that a State reserve would permit more flexibility and result in fairer and more equitable new farm allotments. Enactment of the bill would result in "new" farm reserve acreages on a State basis for all the basic commodities except tobacco and peanuts which are on a national basis, and corn for which there are no provisions for new farms.

Subsection (d) adds "the past acreage of wheat" as an additional factor to be considered in establishing farm wheat allotments. In prior years the history of wheat acreage on the farms has actually been used to reflect the factors of tillable acres, crop-rotation practices, type of soil, and topography specified in the act for establishing farm acreage allotments. By this change "the past acreage of wheat" will be given specific recognition in the act and will make the act comparable to provisions applying to tobacco, rice, and peanuts.

Subsection (f) limits the protection of the so-called Barden amendment to owners of wheat farms acquired in 1950 or thereafter by the United States for national-defense purposes. As originally enacted on February 6, 1942, the provision extended protection to owners of wheat farms so acquired in 1940 or thereafter. It is felt that owners whose farms were acquired by the Federal Government during the 10-year period 1940 through 1949 have either received the benefits of the Barden amendment as originally enacted or have been able to build up sufficient wheat-producing history during such period so as to assure themselves of fair and equitable treatment when acreage allotments are in effect. Also, the administration of the provision as originally enacted would be exceedingly difficult because of the lack of adequate records of farming operations on individual farms for the years prior to 1950.

Section 2 and Section 3 (b)

Section 2 changes the farm bushelage exemption from marketing quotas from 200 bushels to 400 bushels. The effect of the change will

make the bushelage exemption comparable to the acreage exemption contained in section 4 (b) of the bill.

Section 3 (b) changes the farm acreage exemption from marketing quotas from 15 acres to 25 acres. The great majority of farmers growing 25 acres or less of wheat do not produce wheat for market. Therefore, exempting these small producers from marketing quotas would have no appreciable effect on the total quantity of wheat produced for market, and would permit them to continue their normal cropping operations without being subjected to marketing penalties; at the same time there would be no impairment of their privilege of obtaining price support if they choose to comply with their acreage allotments. In addition, the decrease in the number of farmers subject to marketing controls would result in administrative economies.

Section 3 (a)

Section 3 (a) establishes the penalty on the farm-marketing excess of wheat at a rate per bushel equal to 45 percent of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested. The rate of penalty in the act as originally enacted was 15 cents per bushel. The rate was increased by paragraph (2) of Public Law 74, 77th Congress, to 50 percent of the basic loan rate for cooperators under section 302 of the Agricultural Adjustment Act of 1938, as amended. Section 302 of the act was repealed by the Agricultural Act of 1949, but it was not intended that the penalty provision should become inoperative. This provision of the bill will make clear the intention of Congress to continue the penalty. The substitution of 45 percent of parity for 50 percent of the loan rate will make no difference in the amount of the penalty in money and will greatly simplify administration.

Section 4

Section 4 of the bill provides for 1954 only a minimum national wheat-acreage allotment of 66 million acres. Without this minimum the national acreage allotment for 1954 would, on the basis of present indications, likely approach a minimum of 55 million acres provided under existing legislation. Such reduction in acreage would represent a cutback of 30 percent from the indicated 1953 seeded acreage and would result in serious disruption of normal operations on many wheat farms. Similar legislative provisions have been enacted previously to prevent drastic reductions in acreage from 1 year to the next in the cases of the commodities tobacco, cotton, and peanuts, as well as wheat. A minimum of 66 million acres would be half way between recent average wheat acreage and the minimum national allotment under present law. At normal yields, it would provide production equal to estimated consumption and exports, thus keeping the carryover constant.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is in italics; existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

TITLE III—PARITY PAYMENTS, CONSUMER SAFEGUARDS, AND MARKETING QUOTAS

* * * * *

SEC. 334. (a) The national acreage allotment for wheat, *less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection*, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period. *The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is proclaimed.*

(b) The State acreage allotment for wheat, *less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section*, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practices.

(c) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of *past acreage of wheat, tillable acres, crop-rotation practices, type of soil, and topography*. Not more than 3 per centum of [such county] *the State* allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made.

(d) Notwithstanding any other provision of this section, the allotments established, or which would have been established, for any farm acquired in [1940] 1950 or thereafter by the United States for national-defense purposes shall be placed in an allotment pool and shall be used only to establish allotments for other farms owned or acquired by the owner of the farm so acquired by the United States. The allotment so made for any farm, including a farm on which wheat has not been planted during any of the three marketing years preceding the marketing year in which the allotment is made, shall compare with the allotments established for other farms in the same area which are similar except for the past acreage of wheat.

* * * * *

SEC. 335. (d) No farm marketing quota with respect to wheat shall be applicable in any marketing year to any farm on which the normal production of the acreage planted to wheat of the current crop is less than [two hundred] 400 bushels.

PUBLIC LAW 74, 77TH CONGRESS

* * * notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

* * * * *

(2) During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of penalty [shall be 50 per centum of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the Act and this resolution] *on wheat shall be 45 per centum of the parity price per bushel of wheat, as of May 1 of the calendar year in which the crop is harvested.*

* * * * *

(7) A farm-marketing quota on corn or wheat shall not be applicable to any farm on which the acreage planted to the commodity is not in excess of [fifteen] 25 acres. The marketing penalty on corn or wheat shall not be applicable to any

farm which, under the terms of the then current agricultural conservation program formulated under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, is classified as a nonallotment farm if the acreage of the commodity harvested on such nonallotment farm is not in excess of ~~【fifteen】~~ 25 acres or the acreage allotment for the farm, whichever is larger. If the acreage of the commodity harvested on any such nonallotment farm is in excess of ~~【fifteen】~~ 25 acres and in excess of such acreage allotment, the normal production or the actual production, whichever is the smaller, of the acreage harvested in excess of ~~【fifteen】~~ 25 acres or such acreage allotment, whichever is larger, shall be taken as the farm-marketing excess and shall be subject to penalty: *Provided*, That there shall be no penalty on wheat harvested on any such nonallotment farm from which no wheat is sold if the acreage of wheat harvested on such farm does not exceed such acreage per family living thereon as may be used for home consumption without reducing the payment with respect to the farm under the then current agricultural conservation program: *Provided further*, That for the marketing year beginning in 1941, there shall be no marketing penalty on wheat with respect to any such nonallotment farm if the acreage of wheat harvested on the farm is not in excess of the usual acreage determined for the farm under the 1941 agricultural conservation program and the county committee determines, in accordance with regulations of the Secretary, that there will not be marketed an amount of wheat in excess of the 1941 farm-marketing quota.

○

Union Calendar No. 179

83^d CONGRESS
1ST SESSION

H. R. 5451

[Report No. 520]

IN THE HOUSE OF REPRESENTATIVES

MAY 28, 1953

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

JUNE 8, 1953

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 301 ~~(b)~~ of the Agricultural Adjustment Act
4 of 1938, as amended, is amended as follows:

5 ~~(a)~~ By striking out in paragraph ~~(8)~~ the language
6 “during the ten calendar years in the case of wheat, and
7 during the five calendar years in the case of cotton,” and
8 inserting in lieu thereof the language “during the five
9 calendar years”; and by deleting the language “and, in the

1 ease of wheat, but not in the ease of cotton, for trends in
2 yields”.

3 (b) By striking out in paragraph (13) (A) the
4 language “per acre of corn or wheat” and inserting in lieu
5 thereof the language “per acre of the commodity”; by insert-
6 ing in the first sentence immediately after the language
7 “ten calendar years” the language “in the ease of corn,
8 and five calendar years in the ease of wheat,”; by inserting
9 in the first sentence immediately after the language “weather
10 conditions and” the language “in the ease of corn, but not
11 in the ease of wheat, for”; by striking out in the second
12 sentence the language “ten calendar years” and inserting in
13 lieu thereof the language “ten or five calendar years, as the
14 ease may be,”; and by striking out in the second sentence
15 the language “ten years” and inserting in lieu thereof the
16 language “ten or five years”.

17 (c) By striking out in paragraph (13) (E) the
18 language “and wheat, but not in the ease of cotton or
19 peanuts” and inserting in lieu thereof the language “, but
20 not in the ease of cotton, wheat, or peanuts”; and striking
21 out the language “and wheat, and five calendar years in the
22 ease of cotton or peanuts” and inserting in lieu thereof the
23 language “and five calendar years in the ease of cotton,
24 wheat, or peanuts”.

1 ~~SEC. 2. Section~~ *section* 334 of the Agricultural Adjust-
2 ment Act of 1938, as amended, is amended as follows:

3 (a) By inserting in subsection (a) after the words
4 “The national acreage allotment for wheat” the language
5 “, less a reserve of not to exceed ~~1~~ *one* per centum thereof for
6 apportionment as provided in this subsection,”.

7 (b) By adding at the end of subsection (a) a new
8 sentence to read as follows: “The reserve acreage set aside
9 herein for apportionment by the Secretary shall be used
10 to make allotments to counties, in addition to the county
11 allotments made under subsection (b) of this section, on
12 the basis of the relative needs of counties for additional
13 allotment because of reclamation and other new areas
14 coming into the production of wheat during the ~~five~~ *ten*
15 calendar years immediately preceding the calendar year in
16 which the national acreage allotment is proclaimed.

17 ~~(c)~~ By striking out in subsections ~~(a)~~ and ~~(b)~~ the
18 word “~~ten~~” wherever it appears and inserting in lieu thereof
19 the word “~~five~~”.

20 ~~(d)~~ (c) By inserting in subsection (b) after the words
21 “The State acreage allotment for wheat” the language “, less
22 a reserve of not to exceed 3 per centum thereof for apportion-
23 ment as provided in subsection (c) of this section,”.

24 ~~(e)~~ (d) By inserting in the first sentence of subsection

1 (c) after the words "on the basis of" the language "past
2 acreage of wheat,".

3 ~~(f)~~ (e) By striking out in the second sentence of subsec-
4 tion (c) the words "such county" and inserting in lieu
5 thereof the words "the State".

6 ~~(g)~~ (f) By striking out in subsection (d) the figure
7 "1940" and inserting in lieu thereof the figure "1950".

8 SEC. 3 2. Section 335 (d) of the Agricultural Adjust-
9 ment Act of 1938, as amended, is amended by striking out
10 the figure ~~"200"~~ words "*two hundred*" and inserting in lieu
11 thereof the figure "400".

12 SEC. 4 3. Public Law 74, Seventy-seventh Congress
13 (55 Stat. 203), as amended, is amended as follows:

14 (a) By striking out in the second sentence of para-
15 graph (2) the language "*shall be 50 per centum of the basic*
16 *rate of the loan on the commodity for cooperators for such*
17 *marketing year under section 302 of the Act and this reso-*
18 *lution.*" and inserting in lieu thereof the language "~~50~~ *on*
19 *wheat shall be 45 per centum of the parity price per bushel*
20 *of the commodity, wheat as of August 1 and May 1, respec-*
21 *tively, May 1 of the calendar year in which the crop is*
22 *harvested.*".

23 (b) By striking out in paragraph (7) the figure ~~"15"~~
24 word "*fifteen*" wherever it appears therein and inserting in
25 lieu thereof the figure "25".

1 SEC. 5 4. Notwithstanding any other provision of law,
2 the national acreage allotment for the 1954 crop of wheat
3 shall not be less than sixty-six million acres.

4 SEC. 6 5. ~~Sections 1, 2, 3, and 4~~ *Sections 1, 2, and 3*
5 of this Act shall become effective with respect to the 1954
6 and subsequent crops of wheat.

A BILL

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

By Mr. HOPE

MAY 28, 1953

Referred to the Committee on Agriculture

JUNE 8, 1953

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

that the best wishes of all of us go with him as he embarks upon this new and great phase of his career.

Mr. McDONOUGH. Mr. Speaker, I yield to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Speaker, I want to say ditto to the many nice things that have been said about my good friend, NORRIS POULSON. He was one of the first Members that I met when I came to the Congress, and he has been sort of a ray of sunshine to me ever since. He is a man of outstanding qualities, who is always willing to fight for what he believes to be right. I had the pleasure of serving on his subcommittee of the Committee on Interior and Insular Affairs, and I want to say that if he conducts the affairs of Los Angeles as he conducted that subcommittee, the people out in that section of the world can look for great things to happen. It was further my privilege to visit in Los Angeles during the time that this race was on; as a matter of fact, I believe it was shortly after the primary, if that is what they call it out there. NORRIS was there and I was with him. As a matter of fact, I had my picture taken with him. I did not know at that time that it would be with the mayor of Los Angeles, but I suspicioned as much. I will say that the people of Los Angeles have great faith in him. You could tell it. Wherever he went the people were glad to see him and, of course, he was glad to see them. I am glad to see the west coast moving forward and I want to wish NORRIS the great success that I know is in store for him, and to congratulate the city of Los Angeles.

Mr. McDONOUGH. Mr. Speaker, I yield to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, it is very pleasing to hear the fine words of commendation and appreciation spoken in behalf of our colleague, NORRIS POULSON. It is much better to hear such kind words spoken on occasions like this when the recipient of our good wishes can hear them.

NORRIS POULSON and I came to Congress together 11 years ago, and our friendship has ripened throughout the years. I have found him to be a man of the highest integrity, completely honest, a man who stands on his convictions, one who believes in the free enterprise system. In short, he is a great American. I shall miss him very much and I wish him a lot of luck in his new undertaking as the next mayor of Los Angeles.

NORRIS, as you go to serve the people of Los Angeles, you will carry with you the best wishes of all your colleagues in the House of Representatives.

Mr. McDONOUGH. Mr. Speaker, I yield to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, NORRIS POULSON has been in the business of winning elections for a long time. Prior to his sixth election to the House of Representatives, he was elected a number of times to the State legislature and, lately, of course, he has been elected mayor of the city of Los Angeles, and I presume

he will be re-elected as mayor 2 or 3 times if things go along as they have been. He has been of untold service to the State of California, to the county of Los Angeles and the district he represents, having served on a very important committee for our State and for its general welfare. His activities on behalf of California in connection with the waters of the Colorado River, and irrigation, and reclamation, and other things has endeared him to the hearts of the people of California. May God bless him in his new undertaking as mayor of the greatest city west of New York.

Mr. McDONOUGH. Mr. Speaker, I yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, as a fellow member of the Interior Committee, I shall miss NORRIS POULSON very much, as I am sure he will be missed by all on the floor of the House. I should like to say this to him that there are several thousand Iowans in Los Angeles. I hope he will take good care of those Iowans for they are merely on loan to him. We expect to get them back to Iowa some day. I congratulate him upon his election and wish him every success.

Mr. McDONOUGH. Mr. Speaker, I yield to our distinguished Speaker [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, those of us who have been associated with NORRIS POULSON are happy over his election to the office of mayor of Los Angeles. It is a fine tribute the people have paid to him in his election as chief executive of one of the great cities of our Nation. We are sure from the fine service he has rendered in the Congress that he will more than measure up to the demands of his new responsibility.

NORRIS POULSON has served California and the Nation in Congress with fidelity and great ability. He has won the high esteem of his associates both Democrats and Republicans through his able, conscientious, and outstanding work.

We are all sorry to have him go. We will miss his cordial smile and his friendliness. But we do know the loss of Congress will be the gain of Los Angeles. In a period when the duties of a big city executive require outstanding ability we know Los Angeles has gained a splendid public servant.

Mr. McDONOUGH. I thank the gentleman from Massachusetts.

Mr. Speaker, I ask unanimous consent that all those who have not had the opportunity to participate in these remarks may have the privilege of extending their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COON. Mr. Speaker, I want to say that NORRIS POULSON grew up in my home county of Baker County, Oreg. and graduated from the high school in my home town. His many friends there have admired him since he was a boy and have watched and applauded the outstanding statesmanship he has shown in his public service. We in Oregon early recognized him as a fine young man, and

through the years we have affectionately claimed him as our Congressman from California.

On June 2 I had included in the RECORD a splendid editorial of the Baker County Democrat-Herald of May 28, 1953, which shows the high regard with which the people of our area hold NORRIS POULSON. The Democrat-Herald is one of the leading daily newspapers in the State of Oregon, and this editorial reflects the thinking of the good people in our area in paying tribute to Congressman NORRIS POULSON.

NORRIS POULSON's record in the Congress shows that he is sound in his thinking and that he has made a contribution through his work in the Congress of which he can be justly proud. We Members of the House shall miss him when he leaves to take up his duties as Mayor of the great city of Los Angeles. But there too we know he will strongly uphold the ideal of better government, and I congratulate the citizens of Los Angeles on having recognized his fine qualities of leadership and of having elected him as their Mayor. I know that he will serve them well.

I wish him success and happiness in his new duties, and I know his many friends of Baker County, Oreg., who remember him with admiration and affection, would like to have me add here their best wishes also as he enters into this new office and his new life.

Mr. BARTLETT. Mr. Speaker, I feel it is a privilege to associate myself with those who are saying farewell to our friend NORRIS POULSON. His departure from the House of Representatives will be a loss to us, and to the people of the district he has so ably represented; the gain will be for all the people of Los Angeles when on an early date he becomes mayor of that great American city.

I have many pleasant memories of an association with NORRIS POULSON through years of service on the Interior and Insular Affairs Committee during which on so many occasions he has given really significant help in so many worthwhile Alaska causes. I know too that even before I came here he had a primary responsibility in bringing about the search by the Navy Department for oil in the Arctic, a search which I sincerely believe will be continued and be successful in the days ahead. These explorations perhaps laid the groundwork for private enterprise to look for oil in other parts of Alaska as they are now doing.

It is almost axiomatic that a man's personality, his ability to get along with others, his general caliber, are best judged in the close contact inevitable during a trip. By that standard, NORRIS POULSON from my viewpoint, ranks very high indeed. We were members together of an Indian Affairs subcommittee which visited Alaska in the autumn of 1951. His industry, his quick grasp of issues, his agreeable disposition, his eagerness and ability to master new problems, were readily apparent to all.

For NORRIS POULSON, I wish the very best in the important new work which lies ahead.

Mr. MAILLIARD. Mr. Speaker, I would like to join our colleagues in wish-

ing every success to NORRIS POULSON in his new assignment as mayor of Los Angeles. It has not been my good fortune to know NORRIS until very recently but the association has been as pleasant as it has been brief. As a Representative in this House from the other principal California city, I may say that, if half the qualities ascribed to him here today are true, and I sincerely believe them to be, my own city of San Francisco had better look to its laurels after July 1.

Mr. CHENOWETH. Mr. Speaker, it gives me great pleasure to join my colleagues in expressing our regrets over the resignation of NORRIS POULSON as a Member of this House. We are happy of course to see him assume his new duties as Mayor of Los Angeles. It has been a great pleasure to serve in this body with Mr. POULSON over the years. He has always been a hard worker and has been diligent in looking after the interests of his people. He makes friends easily, and I was not surprised when the voters of Los Angeles elected him to direct the affairs of that great city last month. I personally wish him a happy and successful term in office, and I know he will make an outstanding record, just as he did here.

Mr. McDONOUGH. Mr. Speaker, I yield the balance of my time to the honored guest of the occasion, the mayor-elect of Los Angeles, NORRIS POULSON.

Mr. POULSON. Mr. Speaker, I thank you one and all from the bottom of my heart for your most generous remarks. Let me assure you that these statements will not cause me to overestimate myself. To each and every one of you I extend a personal invitation to visit me in the city of Los Angeles.

COMMITTEE ON AGRICULTURE

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 5451.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. KEARNEY and to include a letter.

Mr. SMITH of Wisconsin in four instances and to include extraneous matter.

Mr. JONAS of North Carolina and to include an editorial.

Mr. AYRES in two instances and to include an editorial.

Mr. KERSTEN of Wisconsin in four instances and to include extraneous matter.

Mr. LECOMPTE and to include a very important address given before the Iowa State Bar Association on Friday evening by the Secretary of Defense.

Mr. FARRINGTON in two instances and to include speeches by Gov. Samuel Wilder King, of Hawaii.

Mr. O'BRIEN of Michigan and to include an article.

Mr. FRIEDEL.

Mr. MAGNUSON.

Mr. McCORMACK and to include extraneous matter.

Mr. PATMAN and to include copy of a letter sent to the President.

Mr. COLE of New York (at the request of Mr. SIMPSON of Illinois).

Mr. GAVIN to revise and extend his remarks made in Committee of the Whole today and to include a letter from the Secretary of the Navy.

Mr. BUSH (at the request of Mr. GAVIN) and to include an editorial.

Mr. D'EWARD and to include extraneous matter.

Mrs. ROGERS of Massachusetts (at the request of Mr. ADAIR) and to include an article, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$308.

Mr. Bow (at the request of Mr. McGREGOR) in eight instances and to include extraneous matter.

Mr. HARRISON of Wyoming in three instances and to include extraneous matter.

Mr. HILLELSON.

Mrs. BUCHANAN (at the request of Mr. SMITH of Virginia) and to include extraneous matter.

Mr. THORNBERRY to revise and extend his remarks and to include an editorial and a letter.

Mr. PERKINS (at the request of Mr. BOLLING) and to include extraneous matter.

Mr. WOLVERTON in three instances and to include extraneous matter.

Mr. VAN ZANDT in three instances and to include extraneous matter.

Mr. REED of New York in five instances and to include extraneous matter.

Mr. HOLIFIELD and to include extraneous material.

Mr. WIER and to include a letter and extraneous material.

Mr. YORTY (at the request of Mr. MILLER of California) in three instances and to include extraneous matter.

Mr. ELLIOTT in two instances and to include extraneous matter.

Mr. ROBERTS and to include an address.

Mr. KNOX and to include an editorial.

Mr. JACKSON in two instances and to include an editorial and a letter.

Mr. MARTIN of Iowa and to include a speech.

Mr. REED of Illinois. Mr. Speaker, on January 3 of this year permission was given to me to extend my remarks at a certain point in the RECORD. Inadvertently I did not do so. I renew that request at this time.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ADJOURNMENT

Mr. GROSS. Mr. Speaker I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 16 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 9, 1953, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

754. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of \$2,732,953.53, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (H. Doc. 166); was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of June 5, 1953, the following bill was reported June 6, 1953:

Mr. WOLCOTT: Committee on Banking and Currency. S. 1081. An act to provide authority for temporary economic controls, and for other purposes; with amendment (Rept. No. 516). Referred to the Committee of the Whole House on the State of the Union.

[Submitted June 8, 1953]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TABER: Committee of conference. H. R. 4664. A bill making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes (Rept. No. 517). Ordered to be printed.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 271. Resolution for consideration of S. 1081, an act to provide authority for temporary economic controls, and for other purposes; without amendment (Rept. No. 518). Referred to the House Calendar.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. H. R. 3203. A bill to amend the Interstate Commerce Act in order to prohibit the Interstate Commerce Commission from regulating the duration of certain leases for the use of equipment by motor carriers, and the amount of compensation to be paid for such use; with amendment (Rept. No. 519). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 5451. A bill to amend the wheat-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes; with amendment (Rept. No. 520). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 5595. A bill to provide for the issuance of special postage stamps expressing the desire of the American people for peace; to the Committee on Post Office and Civil Service.

By Mr. BENTLEY:

H. R. 5596. A bill to suspend for 1 year certain duties upon the importation of aluminum and aluminum alloys; to the Committee on Ways and Means.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 10, 1953
For actions of June 9, 1953
83rd-1st, No. 105

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HIGHLIGHTS: House passed economic controls bill, including amendment to omit Section 104. House agreed to conference report on 3rd supplemental appropriation bill. House committee reported trade agreements extension bill and bill defining forest mining-claim rights. House Rules Committee cleared wheat marketing quota bill.

HOUSE

1. ECONOMIC CONTROLS. Passed with amendments S. 1081, to authorize temporary economic controls, after adopting a committee substitute amendment that supplied new text for the Senate-passed bill (pp. 6438-83). This bill now provides for a 1-year extension of the allocation and priorities provisions of title I and the production expansion and procurement provisions of title III of the Defense Production Act of 1950. No authority is included for the 90-day standby wage, price, and rent freeze.

The committee amendment also included a 1-year extension of Sec. 104, restricting imports of certain agricultural commodities. Agreed, 123-95, to an Andresen amendment to permit expiration on June 30, 1953, of this section. In offering his amendment Rep. Andresen stated that section 104 was "not necessary considering the proclamation of the President, based upon section 22, which limited the imports of dairy products, on peanuts, peanut oil, flaxseed, and linseed oil." (pp. 6470-75). Reps. Andresen, Multer, Wolcott and others discussed the effects of Sec. 104 and Sec. 22 of the Agricultural Adjustment Act (pp. 6463-75).

Agreed to a Wolcott amendment providing for the insertion of the text of H.R. 5141 (Small Business Admin.) as passed by the House on June 5 (pp. 6475-8).

Rejected, 65-113, a Spence amendment restoring title VIII of the Senate bill providing for temporary price, wage, and rent ceilings (pp. 6478-83).

Agreed to, 46-45, an Oakman amendment to restrict the scope of the term "national defense" in connection with the bill (pp. 6462-3).

2. APPROPRIATIONS. Adopted the conference report on H.R. 4664, third supplemental appropriation bill for 1953. Rep. Andersen previously urged that the full

\$15 million for REA be included in the conference report instead of \$7,500,000 agreed to by conferees. (p. 6437.)

3. FOREIGN TRADE. The Ways and Means Committee reported without amendment H.R. 5495, to extend for 1 year, without change, the President's authority to enter into reciprocal trade agreements and establish a Commission on Foreign Economic Policy (H. Rept. 521) (pp. 6486-87).
4. MINERALS. The Interior and Insular Affairs Committee reported with amendment H.R. 4983, to define the surface rights vested in the locator of a mining claim on public lands hereafter made under U.S. mining laws, prior to issuance of patent (H. Rept. 522) (p. 6487).
Received a Nebraska Legislature memorial urging enactment of a law "giving the mineral rights back to the States" (p. 6487).
5. WHEAT MARKETING QUOTA. The Rules Committee reported a resolution for the consideration of H.R. 5451, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938 (p. 6487).
6. TRANSPORTATION. The Rules Committee reported a resolution for the consideration of H.R. 3203, to prohibit the ICC from regulating the duration of certain leases for the use of equipment by motor carriers, and the amount of compensation to be paid for such use (p. 6487).
7. WAR POWERS. The Judiciary Subcommittee approved for reporting to the full committee H.R. 2557, extending title 2 of the First War Powers Act (contract authority of the President) through June 30, 1954 (p. D530).
8. AIR POLLUTION. Received a California Legislature memorial on H.R. 2720, providing for rapid amortization of air pollution control facilities constructed by private industry (p. 6487).
9. TVA. Extension of remarks by Rep. Rains defending the record of TVA, outlining four tests of efficiency and good management, and claiming it has "a record of efficiency and operation unequalled in the annals of any Government agency" (pp. 6484-5).

SENATE

10. APPROPRIATIONS. An Appropriations subcommittee ordered reported to the full committee with amendments H.R. 4828, the Interior appropriation bill for 1954 (p. D527).
11. PERSONNEL. The Post Office and Civil Service Committee ordered reported (but did not actually report) with amendments, S. 1684, to facilitate civil-service appointment of persons who lost this opportunity due to service in Armed Forces after June 30, 1950 (p. D527).
The Banking and Currency Committee ordered reported (but did not actually report) without amendment S. 1458, to continue the effectiveness of employee war-risk hazard and detention benefits, until July 1, 1954 (this bill was approved pending receipt of additional information) (p. D527).
12. HOUSING. The Banking and Currency Committee ordered reported (but did not actually report) with amendments S. 1993, to amend the National Housing Act and the Servicemen's Readjustment Act of 1944 with respect to maximum interest rates (p. D527).

CONSIDERATION OF H. R. 5451

JUNE 9, 1953.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 273]

The Committee on Rules, having had under consideration House Resolution 273, reports the same to the House with the recommendation that the resolution do pass.

26008



House Calendar No. 70

83^D CONGRESS
1ST SESSION

H. RES. 273

[Report No. 525]

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 5451) to amend the
5 wheat marketing quota provisions of the Agricultural Adjust-
6 ment Act of 1938, as amended, and for other purposes.
7 After general debate, which shall be confined to the bill,
8 and shall continue not to exceed one hour, to be equally
9 divided and controlled by the chairman and ranking minority
10 member of the Committee on Agriculture, the bill shall be
11 read for amendment under the five-minute rule. At the
12 conclusion of the consideration of the bill for amendment,
13 the Committee shall rise and report the bill to the House

1 with such amendments as may have been adopted, and the
2 previous question shall be considered as ordered on the bill
3 and amendments thereto to final passage without intervening
4 motion except one motion to recommit.

House Calendar No. 70

83d CONGRESS
1ST SESSION

H. RES. 273

[Report No. 525]

RESOLUTION

Providing for the consideration of H. R. 5451,
a bill to amend the wheat marketing quota
provisions of the Agricultural Adjustment
Act of 1938, as amended, and for other pur-
poses.

By Mr. ALLEN of Illinois

JUNE 9, 1953

Referred to the House Calendar and ordered to be
printed

for other purposes; without amendment (Rept. No. 521). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 4983. A bill to define the surface rights vested in the locator of a mining claim hereafter made under the mining laws of the United States, prior to issuance of patent therefor, and for other purposes; with amendment (Rept. No. 522). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 2824. A bill to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes; with amendment (Rept. No. 523). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 272. Resolution for consideration of H. R. 3203, a bill to amend the Interstate Commerce Act in order to prohibit the Interstate Commerce Commission from regulating the duration of certain leases for the use of equipment by motor carriers, and the amount of compensation to be paid for such use; without amendment (Rept. No. 524). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 273. Resolution for consideration of H. R. 5451, a bill to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes; without amendment (Rept. No. 525). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 274. Resolution for consideration of House Joint Resolution 234, joint resolution authorizing an appropriation to defray the expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C.; without amendment (Rept. No. 526). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 5618. A bill to amend sections 1104 and 1105 of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. BROYHILL:

H. R. 5619. A bill to increase the salaries of employees of the Board of Education of the District of Columbia, and to provide for a study of the pay scales and classifications of such employees; to the Committee on the District of Columbia.

By Mr. HILL:

H. R. 5620. A bill to authorize and direct the Secretary of the Interior to correct an incomplete and faulty survey in township 8 north, range 53 west of the sixth principal meridian in Colorado, and to issue patents describing any new areas included in lots 1, 2, 3, and 4 in sections 1 through 6, township 8 north, range 53 west of the sixth principal meridian in Colorado; to the Committee on Interior and Insular Affairs.

By Mrs. PFOST:

H. R. 5621. A bill to change the date for the beginning of annual assessment work on mining claims held by location in the United States, including the Territory of Alaska, from the 1st day of July to the 1st day of October and to extend the time during which annual assessment work on such claims may be made for the year beginning July 1, 1952, to the 1st day of November 1953; to the Committee on Interior and Insular Affairs.

By Mr. POWELL:

H. R. 5622. A bill to provide for the issuance of a special postage stamp in commemoration of the 200th anniversary of Columbia University; to the Committee on Post Office and Civil Service.

By Mr. RADWAN:

H. R. 5623. A bill to amend the Water Pollution Control Act, so as to confer authority upon the Surgeon General to assist in the elimination, control, and abatement of pollution in certain international waters; to the Committee on Public Works.

H. R. 5624. A bill to repeal those provisions of the Railroad Retirement Act of 1937 which reduce the amount of a railroad annuity or pension where the individual or his spouse is (or on proper application would be) entitled to certain insurance benefits under the Social Security Act; to the Committee on Interstate and Foreign Commerce.

H. R. 5625. A bill to amend the Railroad Retirement Act of 1937, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5626. A bill to amend the existing law to provide for the automatic renewal of expiring 5-year level premium-term policies of United States Government and national service life insurance; to the Committee on Veterans' Affairs.

By Mr. SHORT:

H. R. 5627. A bill to amend Public Law 472, 81st Congress, approved April 11, 1950, entitled "An act to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study"; to the Committee on Armed Services.

By Mr. SIMPSON of Pennsylvania:

H. R. 5628. A bill to provide for public accountability by tax-exempt organizations, and other purposes; to the Committee on Ways and Means.

By Mr. HAYS of Arkansas:

H. R. 5629. A bill to provide for public accountability by tax-exempt organizations, and other purposes; to the Committee on Ways and Means.

By Mr. WHEELER:

H. R. 5630. A bill to provide an additional method for computing certain benefits payable under the Federal Employees' Compensation Act to persons who continue their employment after sustaining injury, and for other purposes; to the Committee on Education and Labor.

By Mr. BAKER:

H. R. 5631. A bill to amend the Railroad Retirement Act of 1937 to provide full annuities regardless of age for employees who have completed 30 years of service and whose railroad employment has been terminated by reason of the abandonment of a railroad; to the Committee on Interstate and Foreign Commerce.

By Mr. CHATHAM:

H. R. 5632. A bill to provide for the conveyance of the Camp Butner Military Reservation, N. C., to the State of North Carolina; to the Committee on Armed Services.

By Mr. HERLONG:

H. R. 5633. A bill to provide that admissions to certain postseason football games shall be exempt from the admissions tax; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 5634. A bill to extend section 124A of the Internal Revenue Code (relating to amortization deductions for emergency facilities) to cover certain facilities in distressed areas; to the Committee on Ways and Means.

By Mr. MACK of Illinois:

H. R. 5635. A bill to provide for Federal cooperation with senior high schools, colleges, and universities in the training of air-

craft pilots; to the Committee on Interstate and Foreign Commerce.

By Mr. RADWAN:

H. R. 5636. A bill to amend veterans' regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service-connection for tuberculosis other than pulmonary; to the Committee on Veterans' Affairs.

By Mr. SHORT:

H. R. 5637. A bill to provide for the use of the American National Red Cross in aid of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. STRINGFELLOW:

H. R. 5638. A bill to amend the Tariff Act of 1930, to encourage the domestic production of wool as a critical and strategic defense material; to the Committee on Ways and Means.

By Mr. HARRISON of Wyoming:

H. Con. Res. 108. Concurrent resolution expressing the sense of Congress that certain tribes of Indians should be freed from Federal supervision; to the Committee on Interior and Insular Affairs.

By Mr. MACK of Illinois:

H. Con. Res. 109. Concurrent resolution expressing the sense of Congress on a policy of exempting from combat duty any member of the Armed Forces whose brother or sister has died as a result of enemy action while serving in the Armed Forces; to the Committee on Armed Services.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to passage of H. R. 2720 providing for the rapid amortization of facilities constructed by private industry for the control of air pollution; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States in relation to tariff rates; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States requesting the enactment of a law giving the mineral rights back to the States; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States expressing opposition to legislative resolution No. 32 of the 61st session of the Nebraska State Legislature, pertaining to establishing a policy with regard to taxation; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR:

H. R. 5639. A bill for the relief of Edeltraud Kambert; to the Committee on the Judiciary.

By Mr. CHUDOFF:

H. R. 5640. A bill for the relief of Daniel Simon; to the Committee on the Judiciary.

By Mr. FORAND:

H. R. 5641. A bill to authorize the appointment of Louis D. Gingras as a permanent captain in the Regular Army; to the Committee on Armed Services.

By Mr. GATHINGS:

H. R. 5642. A bill for the relief of Cpl. Natale Bunici; to the Committee on the Judiciary.

By Mr. GOODWIN:

H. R. 5643. A bill for the relief of Richard W. Henderson and Irene C. Henderson; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 5644. A bill for the relief of Evangelos Christos Mirtsopoulos; to the Committee on the Judiciary.

By Mr. HILLINGS (by request):

H. R. 5645. A bill for the relief of Eleanor Deloris Woodward and Paul Woodward; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5646. A bill for the relief of Francesco Prano; to the Committee on the Judiciary.

H. R. 5647. A bill for the relief of Lee Houn and Lily Ho Lee Houn; to the Committee on the Judiciary.

By Mr. LANHAM:

H. R. 5648. A bill for the relief of Woodrow W. Leake; to the Committee on the Judiciary.

By Mr. LYLE:

H. R. 5649. A bill for the relief of Albert Bernard Prashner; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 5650. A bill for the relief of Peter F. de Ullmann; to the Committee on the Judiciary.

By Mr. OSMERS:

H. R. 5651. A bill for the relief of James M. Wilson; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 5652. A bill for the relief of Mrs. Florence P. Hildreth; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 5653. A bill for the relief of Patrick Joseph Blewett; to the Committee on the Judiciary.

H. R. 5654. A bill for the relief of Eulah Hannah Basden; to the Committee on the Judiciary.

By Mr. HELLER:

H. J. Res. 272. Joint resolution to authorize the President to issue posthumously to the late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

316. By the SPEAKER: Petition of W. N. Skinner and 20 others, Waco, Tex., relative to redress of grievances for a prayer for United States withdrawal from the United Nations; to the Committee on Foreign Affairs.

317. Also, petition of American Ex-Prisoners of War, Inc., Oklahoma City, Okla., requesting enactment of the bill H. R. 4873, to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended; to the Committee on Interstate and Foreign Commerce.

318. Also, petition of J. K. Carr and others, Daytona Beach, Fla., requesting passage of H. R. 2446 and H. R. 2447, social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

319. Also, petition of Sarrah Hall and others, Daytona Beach, Fla., requesting passage of H. R. 2446 and H. R. 2447, social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

interest, through an appropriation when the costs of the programs have been ascertained." The message proposes that up to 700,000 tons of wheat be made available as a grant, and that it will be determined later whether additional shipments will be supplied as a grant or a loan.

16. FOREIGN TRADE. The Rules Committee reported a resolution for the consideration of H.R. 5495, to continue for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930 (p. 6584).
17. PACKAGING. Rep. O'Hara spoke on the progress made by the Green Giant Company, Glencoe, Minn., which is "the world's largest packer of peas and corn," during the 50 years of its existence (pp. 6577-8).
18. WHEAT MARKETING QUOTA. As reported, H.R. 5451, to amend the wheat-marketing quota provisions of the Agricultural Adjustment Act of 1938, includes the following provisions:

Increases the minimum permissible national wheat-acreage allotment from 55 million to 66 million acres, a reduction of about 12 million acres, or 15%, of present wheat acreage; changes the exemption from marketing quotas in the case of farm acreage from 15 to 25 acres, and for bushel production from 200 to 400 acres; and establishes the penalty for exceeding the farm marketing quota at 45% of the parity price per bushel as of May 1 of the crop year.

Establishes a National acreage reserve, not exceeding 1% of the national allotment to be apportioned to counties in addition to the regular county allotments to relieve inequity resulting from the rise of new wheat producing areas; provides that the acreage reserve for new wheat farms of 3% of the allotted acreage be placed on a state level (previously on a county level) for greater flexibility of use; adds "the past acreage of wheat" as another factor in establishing farm wheat allotments; and limits the so-called Barden amendment protection to wheat farms acquired only from 1950 on (previously 1940) by the U. S. for national-defense purposes.

ITEMS IN APPENDIX

19. VETERANS' BENEFITS. Extension of remarks of Rep. Elliott favoring his bill, H.R. 3167, which would increase education and training allowance of veterans pursuing on-farm training, and inserting several Nat'l Ass'n. of State Approval Agencies resolutions urging passage of the bill (pp. A3523-4).
20. GRAZING LANDS. Rep. D'Ewart inserted an article from the Miles City (Mont.) Star criticizing the opposition to H.R. 4023, the stockmen's grazing bill as "the result of a misinterpretation" (pp. A3528-9).
Sen. Morse inserted 3 newspaper editorials opposing H.R. 4023, the stockmen's grazing bill as "a slick rights-grabbing scheme on behalf of special interests" (pp. A3547-8).
21. LIVESTOCK. Sen. Robertson inserted State Sen. Harry C. Stuart (Va.) speech delivered before an annual 4-H Club discussing the program of grass-fed cattle (pp. A3530-1).
22. CONSERVATION. Rep. Abbitt inserted an American Forests article discussing the contributions of certain individuals to the "wise-use management and conservation of our renewable natural resources of forests, soil, water and wildlife" (pp. A3532-3).

23. HAWAII STATEHOOD. Sen. Maybank inserted a Dillon (S.C.) Herald article commenting on Sen. Johnston's speech in which he opposed statehood for Hawaii (p. A3533).
24. GOVERNMENT OPERATIONS. Sen. Capehart inserted an American Trade Ass'n Executive Journal article discussing and outlining some of the problems of Government operations (pp. A3538-40).
25. INFORMATION. Sen. Morse inserted a St. Louis Post-Dispatch editorial commenting on the recent telecast of the President and four of his Cabinet members (p. A3540).
26. IMMIGRATION. Sen. Watkins inserted a Deseret News (Salt Lake City) editorial favoring S. 1917, a bill to permit entry of 240,000 immigrants (pp. A3542-3).
27. ROADS. Sen. Mansfield inserted two newspaper editorial favoring a nationwide program for development of better roads (pp. A3543-5).

BILLS INTRODUCED

28. SHEEP INDUSTRY. S. 2074, by Sen. Welker, for the relief of certain Basque sheepherders; to Judiciary Committee (p. 6496). Remarks of author (p. 6497).
29. WATER CONSERVATION. S. 2094, by Sen. Butler, to facilitate the development and construction of water conservation facilities by States and municipalities; to Public Works Committee (p. 6497).
30. PATENTS. S. 2095, by Sen. Tobey, to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls; to Judiciary Committee (p. 6497).
31. WATER RESOURCES. S. 2096, by Sen. Barrett, to require Federal officers, employees, agencies, and instrumentalities to act in accordance with and submit to the laws of certain States relative to the control, appropriation, use, and distribution of water; to Interior and Insular Affairs Committee (p. 6497).
32. RECLAMATION. S. 2097, by Sen. Cordon, to increase the amount authorized to be appropriated for the construction of the Elklutna project; to Interior and Insular Affairs Committee (p. 6497). Remarks of author (pp. 6497-8).
33. WHEAT. S. 2099, by Sens. Aiken, Schoeppel and Young, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, to Agriculture and Forestry Committee (p. 6497).
34. ACREAGE ALLOTMENTS. S. 2102, by Sens. Humphrey, Murray and Kerr, to increase allowances for carryover and acreage allotments for corn and wheat and to establish a special contingency reserve; to Agriculture and Forestry Committee (p. 6497). Remarks of author (pp. 6499-501).
35. AGRICULTURAL ADJUSTMENT ACT. S. 2106, by Sens. Kuchel et al; H.R. 5655, by Rep. Hunter; H.R. 5657, by Rep. Dempsey; H.R. 5658, by Rep. Fernandez; H.R. 5662, by Rep. Meader; H.R. 5666, by Rep. Sheppard; H.R. 5668, by Rep. Young; H.R. 5669, by Rep. Hagen; and H.R. 5672, by Rep. Rhodes; to amend the Agricultural Adjustment Act of 1938, as amended; to Agriculture Committees (pp. 6497, 6584). Remarks of Rep. Hagen (pp. A3515-6).

83D CONGRESS
1ST SESSION

S. 2099

IN THE SENATE OF THE UNITED STATES

JUNE 10 (legislative day, JUNE 8), 1953

Mr. AIKEN (for himself, Mr. SCHOEPPel, and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 301 (b) of the Agricultural Adjustment Act
4 of 1938, as amended, is amended as follows:

5 (a) By striking out in paragraph (8) the language
6 “during the ten calendar years in the case of wheat, and
7 during the five calendar years in the case of cotton,” and
8 inserting in lieu thereof the language “during the five
9 calendar years”; and by deleting the language “and, in the

1 case of wheat, but not in the case of cotton, for trends in
2 yields”.

3 (b) By striking out in paragraph (13) (A) the
4 language “per acre of corn or wheat” and inserting in lieu
5 thereof the language “per acre of the commodity”; by insert-
6 ing in the first sentence immediately after the language
7 “ten calendar years” the language “in the case of corn,
8 and five calendar years in the case of wheat,”; by inserting
9 in the first sentence immediately after the language “weather
10 conditions and” the language “in the case of corn, but not
11 in the case of wheat, for”; by striking out in the second
12 sentence the language “ten calendar years” and inserting in
13 lieu thereof the language “ten or five calendar years, as the
14 case may be,”; and by striking out in the second sentence
15 the language “ten years” and inserting in lieu thereof the
16 language “ten or five years”.

17 (c) By striking out in paragraph (13) (E) the
18 language “and wheat, but not in the case of cotton or
19 peanuts” and inserting in lieu thereof the language “, but
20 not in the case of cotton, wheat, or peanuts”; and striking
21 out the language “and wheat, and five calendar years in the
22 case of cotton or peanuts” and inserting in lieu thereof the
23 language “and five calendar years in the case of cotton,
24 wheat, or peanuts”.

1 SEC. 2. Section 334 of the Agricultural Adjustment
2 Act of 1938, as amended, is amended as follows:

3 (a) By inserting in subsection (a) after the words
4 “The national acreage allotment for wheat” the language
5 “, less a reserve of not to exceed one per centum thereof for
6 apportionment as provided in this subsection,”.

7 (b) By adding at the end of subsection (a) a new
8 sentence to read as follows: “The reserve acreage set aside
9 herein for apportionment by the Secretary shall be used
10 to make allotments to counties, in addition to the county
11 allotments made under subsection (b) of this section, on
12 the basis of the relative needs of counties for additional
13 allotment because of reclamation and other new areas
14 coming into the production of wheat during the five cal-
15 endar years immediately preceding the calendar year in
16 which the national acreage allotment is proclaimed.”

17 (c) By striking out in subsections (a) and (b) the
18 word “ten” wherever it appears and inserting in lieu thereof
19 the word “five”.

20 (d) By inserting in subsection (b) after the words
21 “The State acreage allotment for wheat” the language “, less
22 a reserve of not to exceed 3 per centum thereof for appor-
23 tionment as provided in subsection (c) of this section,”.

24 (e) By inserting in the first sentence of subsection (c)

1 after the words "on the basis of" the language "past acreage
2 of wheat,".

3 (f) By striking out in the second sentence of subsec-
4 tion (c) the words "such county" and inserting in lieu
5 thereof the words "the State".

6 (g) By striking out in subsection (d) the figure
7 "1940" and inserting in lieu thereof the figure "1950".

8 SEC. 3. Section 335 (d) of the Agricultural Adjust-
9 ment Act of 1938, as amended, is amended by striking out
10 the words "two hundred" and inserting in lieu thereof the
11 figure "400".

12 SEC. 4. Public Law 74, Seventy-seventh Congress (55
13 Stat. 203), as amended, is amended as follows:

14 (a) By striking out in the second sentence of para-
15 graph (2) the language "shall be 50 per centum of the
16 basic rate of the loan on the commodity for cooperators for
17 such marketing year under section 302 of the Act and this
18 resolution." and inserting in lieu thereof the language "on
19 wheat shall be 45 per centum of the parity price per bushel
20 of wheat as of May 1 of the calendar year in which the crop
21 is harvested.".

22 (b) By striking out in paragraph (7) the word "fif-
23 teen" wherever it appears therein and inserting in lieu
24 thereof the figure "25".

1 SEC. 5. Notwithstanding any other provision of law, the
2 national acreage allotment for the 1954 crop of wheat shall
3 not be less than sixty-two million acres.

4 SEC. 6. Sections 1, 2, 3, and 4 of this Act shall become
5 effective with respect to the 1954 and subsequent crops of
6 wheat.

A BILL

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

By Mr. AIKEN, Mr. SCHERER, and Mr. YOUNG

JUNE 10 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on
Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

June 26, 1953
June 25, 1953
83rd-1st, No. 116

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HIGHLIGHTS: President approved wheat-for-Pakistan bill. House passed wheat marketing quota bill. Senate received McLeaish nomination to Farmers' Home Administration. Senate debated Interior appropriation bill. Sen. Wiley favored all-out effort to eradicate Bang's disease and tuberculosis.

HOUSE

1. **WHEAT MARKETING QUOTAS.** Passed with amendments H.R. 5451, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, after previously passing the resolution providing for its consideration (for provisions see Digest 106) (pp. 7554-60, 7562-68). In addition to committee amendments, 2 amendments by Rep. Hope were adopted: to exclude commodities acquired under the Strategic and Critical Materials Stockpiling Act from surveys to determine the carryover or total supplies of commodities, Rep. Hope stating that this would apply only to long-staple cotton (pp. 7567-68); and to extend the time for conducting a referendum among the wheat growers to determine whether or not they will accept marketing quotas, from July 24 to Aug. 15, 1953 (p. 7567).

Rejected a recommittal motion by Rep. Hays, by a division vote of 34-116, to reduce the minimum acreage allotment from 66 million acres to 62 million acres (p. 7568).

2. **RUBBER.** Passed with amendments H.R. 5728, to authorize the disposal of the Government-owned rubber-producing facilities (pp. 7532-53). This bill proposes a 3-man commission, appointed by the President, to take bids and negotiate sales contracts on the 28 Government-owned synthetic-rubber facilities. If either House disapproves of the proposed sales, they will be rejected, and the Rubber Act of 1948 will be extended.

3. **POSTAL RATES; INFORMATION.** The Post Office and Civil Service Committee reported without amendment S. 971, to authorize films, and related material, for educational use to be transmitted through the mails at the rate provided for books (H. Rept. 668) (p. 7572).

4. WHEAT; FOREIGN TRADE. Received this Department's proposed bill to amend the International Wheat Agreement Act of 1949; to Banking and Currency Committee (p. 7572).
5. HOUSING. Received this Department's proposed bill to amend title 1 of the Bankhead-Jones Farm Tenant Act and title 5 of the Housing Act of 1949, so as to extend veterans' preference to persons who have served in the Korean conflict; to Banking and Currency Committee (p. 7572).
6. APPROPRIATIONS. Received supplemental appropriation estimates for fiscal year 1954 of \$322,000 for the Interior Department (H. Doc. 195) (p. 7572).
Received a supplemental appropriation estimate for fiscal year 1954 of \$500,000 for the Commission on Foreign Economic Policy (H. Doc. 199) (p. 7572).

SENATE

7. APPROPRIATIONS. Began debate on H.R. 4828, the Interior appropriation bill for 1954 (pp. 7489, 7510-31). Agreed to Sen. Cordon's request that the bill as amended by the committee be deemed a clean bill, in effect agreeing en bloc to all committee amendments, with the right later to raise points of order against these amendments (p. 7510).
Rejected the following amendments:
By Sen. Douglas, to reduce by \$12 million funds for irrigation, and limiting availability of the remainder for irrigation construction to 80% of that planned by the Reclamation Bureau during the fiscal year (pp. 7514-8).
By Sen. Thye, to increase by \$1,300,000 the funds of the Reclamation Bureau for the construction and rehabilitation of power transmission lines and substations into western Minn. from Big Bend, So. Dak. (pp. 7518-20).
By Sen. Douglas, on a point of order, to increase by \$500,000 the funds to be made available to HEW for studies of problems affecting the education of migratory workers' children and to assist localities in their education and health care (pp. 7521-31).
8. APPROPRIATIONS. In reporting H.R. 5376, the Army civil appropriation bill, the committee added \$57,371,300 for the Corps of Engineers. The committee report states: "The committee is in full accord with the views of the House committee as to the vital need for a comprehensive program for the development of the water resources of the Nation. It desires to commend the Bureau of the Budget for the establishment of standards and procedures for review, in the Executive Office of the President, of reports on proposed water resources projects. It is believed that the absence of a clear statement of uniform standards and procedures has resulted not only in delays and difficulties in the clearance of reports, but in some cases inconsistent actions with respect to projects proposed by the various Government agencies."
9. ANIMAL DISEASES. Sen. Wiley urged "an all-out effort" to eradicate Bang's disease and tuberculosis in cattle, and inserted a letter from "five key experts in Wisconsin agriculture" requesting appropriations for the payment of Federal indemnities for diseased cattle destroyed (p. 7508).
10. ECONOMIC CONTROLS. Sen. Sparkman was appointed a conferee on S. 1081, the economic controls bill, in lieu of Sen. Fulbright, who has resigned as a conferee (p. 7508).
11. NOMINATION. Received the nomination of Robert B. McLeaish to be Administrator of the Farmers' Home Administration" (p. 7531).

Corbett
Cotton
Cretella
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Curtis, Nebr.
Dague
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Utah
Deane
Dempsey
Derounian
Devereux
D'Ewart
Dodd
Donohue
Donovan
Dorn, N. Y.
Dorn, S. C.
Dowdy
Doyle
Durham
Edmondson
Elliott
Ellsworth
Engle
Fallon
Fenton
Fernandez
Flno
Fisher
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gary
Gathings
Gavin
Gentry
George
Golden
Goodwin
Graham
Grant
Gregory
Gwinn
Hagen, Minn.
Haley
Halleck
Hand
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harrison, Wyo.
Harvey
Hays, Ark.
Hébert
Herlong
Heseltan
Hess
Hiestand
Hill
Hillelson
Hillings
Hinshaw
Hoeven
Hoffman, Mich.
Holmes
Holt
Horan
Hosmer
Hruska
Hunter
Ikard

Jackson
James
Jarman
Jenkins
Jensen
Johnson
Jonas, Ill.
Jonas, N. C.
Jones, Ala.
Jones, Mo.
Jones, N. C.
Kean
Kearney
Kearns
Keating
Kersten, Wis.
Kilburn
Kilday
King, Pa.
Knox
Krueger
Laird
Landrum
Lane
Latham
LeCompte
Lesinski
Long
Lovre
Lyle
McCarthy
McCormack
McCulloch
McDonough
McGregor
McIntire
McMillan
Mack, Wash.
Magnuson
Mahon
Mailliard
Martin, Iowa
Matthews
Meador
Merrill
Merrow
Miller, Md.
Miller, Nebr.
Mills
Morano
Moulder
Mumma
Murray
Neal
Nelson
Nicholson
Norblad
Norrell
Oakman
O'Brien, Mich.
O'Brien, N. Y.
O'Hara, Minn.
O'Neill
Osmers
Ostertag
Passman
Patten
Pelly
Pfost
Pilcher
Pillion
Poage
Poff
Preston
Price
Prouty
Rabaut
Radwan
Rains
Ray
Reams
Reece, Tenn.
Reed, Ill.

Rees, Kans.
Rhodes, Ariz.
Richards
Riehlman
Riley
Rivers
Roberts
Robeson, Va.
Robson, Ky.
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Sadlak
St. George
Saylor
Schenck
Scherer
Scott
Scrivner
Scudder
Seely-Brown
Selden
Shafer
Sheehan
Short
Shuford
Sikes
Simpson, Ill.
Simpson, Pa.
Small
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Spence
Springer
Stauffer
Steed
Sutton
Taber
Talle
Thomas
Thompson, Mich.
Thompson, Tex.
Thornberry
Tollefson
Trimble
Tuck
Utt
Van Pelt
Van Zandt
Velde
Vinson
Vorys
Vursell
Wainwright
Walter
Wampler
Warburton
Watts
Welchel
Westland
Wharton
Wheeler
Whitten
Wickersham
Widnall
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson, Ind.
Wilson, Tex.
Winstead
Withrow
Wolcott
Wolverton
Young
Younger

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Blatnik for, with Mr. Taylor against.
Mr. Roosevelt for, with Mr. Coudert against.

Mr. Klein for, with Mr. Dondero against.
Mr. Dollinger for, with Mr. Carrigg against.
Mr. Green for, with Mr. Morrison against.
Mr. Buckley for, with Mr. Lantaff against.
Mr. Keogh for, with Mr. Dies against.
Mr. Heller for, with Mr. Cooley against.
Mr. Holtzman for, with Mr. Chatham against.

Mr. Fogarty for, with Mr. Javits against.
Mr. Morgan for, with Mr. Judd against.
Mr. Miller of California for, with Mr. Hyde against.

Mr. Fine for, with Mr. Priest against.

Mr. Yates for, with Mr. Philbin against.

Until further notice:

Mr. Busbey with Mr. Thompson of Louisiana.

Mr. Bush with Mr. Teague.

Mr. McVey with Mr. Polk.

Mr. Dolliver with Mr. Secrest.

Mr. Miller of New York with Mr. Mack of Illinois.

Mr. Keating with Mr. Lucas.

Mr. McConnell with Mr. Regan.

Mr. REAMS changed his vote from "yea" to "nay."

Mr. COLMER changed his vote from "yea" to "nay."

Mr. ADDONIZIO changed his vote from "nay" to "yea."

Mr. MULTER changed his vote from "nay" to "yea."

Mr. GEORGE changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

DIRECTOR OF DISTRICT CIVIL DEFENSE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 3425, an act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes," with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 8, line 10, strike out "Numbered" and insert "Number."

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

SUBCOMMITTEE OF COMMITTEE ON PUBLIC LANDS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Public Lands may meet tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

WEARING OF UNIFORM OF ARMED FORCES BY PERSONS HONORABLY DISCHARGED

Mr. JOHNSON submitted the following conference report and statement on the bill (S. 1550) to authorize the President to prescribe the occasions upon which the uniform of the Armed Forces may be worn by persons honorably discharged therefrom:

CONFERENCE REPORT (H. REPT. No. 665)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1550) entitled "An Act to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1 and 2 and agree to the same.

DEWEY SHORT,
LEROY JOHNSON,
PAUL J. KILDAY,

Managers on the Part of the House.

LEVERETT SALTONSTALL,
STYLES BRIDGES,
RICHARD B. RUSSELL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1550) to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

LEGISLATION IN CONFERENCE

On May 19, 1953, the House of Representatives passed S. 1550, to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom. The House amended the bill in two identical instances. The amendments, numbered 1 and 2, require the President, before issuing regulations governing the wearing of the uniform, to consult with the Armed Services Committees of the Congress.

On June 4, 1953, the Senate disagreed to the amendments of the House and asked for a conference.

The House receded from its amendments numbered 1 and 2 and agreed with the managers on the part of the Senate that the amendments were unduly restrictive and unnecessary. Since authority to prescribe regulations is given to the President in the bill, the managers on the part of the House agreed in conference that the President should not be required to consult with the

NOT VOTING—55

Blatnik	Heller	O'Konski
Buckley	Hoffman, Ill.	Patterson
Burdick	Holtzman	Philbin
Busbey	Hope	Phillips
Bush	Hyde	Polk
Carrigg	Javits	Priest
Chatham	Judd	Rayburn
Cole, N. Y.	Keogh	Reed, N. Y.
Cooley	Klein	Regan
Coudert	Lantaff	Roosevelt
Dies	Lucas	Secrest
Dollinger	McConnell	Stringfellow
Dolliver	McVey	Taylor
Dondero	Mack, Ill.	Teague
Fine	Mason	Thompson, La.
Fogarty	Miller, Calif.	Wigglesworth
Gamble	Miller, N. Y.	Yates
Green	Morgan	
Hale	Morrison	

Armed Services Committees before issuing such regulations.

The House recesses.

DEWEY SHORT,
LEROY JOHNSON,
PAUL J. KILDAY,

Managers on the Part of the House.

ESTABLISHMENT OF AN INVENTIVE CONTRIBUTIONS AWARDS BOARD

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be discharged from the further consideration of the bill (H. R. 5839) to authorize the establishment of an Inventive Contributions Awards Board within the Department of Defense, and for other purposes, and that the bill be rereferred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

WHEAT MARKETING QUOTAS

Mr. ARENDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 273 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5451) to amend the wheat-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ARENDS. Under the rule, Mr. Speaker, I grant 30 minutes to the gentleman from Massachusetts [Mr. McCORMACK]. I know of no objection to the adoption of this rule, and have no requests for time on this side.

I reserve the remainder of my time, Mr. Speaker.

Mr. McCORMACK. Mr. Speaker, I have no requests for time on this side, and I yield back the remainder of my time.

Mr. ARENDS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment

Act of 1938, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5451, with Mr. MILLER of Nebraska in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is entitled to 30 minutes, and the gentleman from North Carolina [Mr. COOLEY] is entitled to 30 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I regret that the chairman of our committee [Mr. HOPE] was called away. He will be back shortly.

This bill simply sets into operation certain acreage allotment figures in connection with anticipated control over wheat production for the 1954 crop. It is not estimated that the supply of wheat on hand after this harvest of the 1953 crop will be approximately 1,700,000,000 bushels. This is far in excess of any amount of wheat that can be used in this country or exported during the next 12 months.

Under the Marketing Allotment Act which was passed in 1938, when certain supplies in wheat are reached in this country, automatic marketing control and acreage allotments go into operation. The amount anticipated to be on hand July 1 will be far in excess of the supplies that should be on hand to avoid acreage allotment and marketing control. Under the law the supply permitted to be planted and allocated would be around 55 million acres of wheat. The present wheat acreage for this year is around 77 million. This bill, which is introduced by the chairman and reported by the Committee on Agriculture, fixes the acreage that is to be allocated at 66 million for the 1954 crop.

Unless this bill is passed the acreage allotment under existing law will be 55 million, a drop of 22 million acres or more from the 77 million acres of wheat planted this year. It is felt this is too great a drop to secure cooperation under any allocation of wheat program.

The bill further provides for a minimum acreage that a farmer can plant without having penalties imposed upon him. The present law provides that a farmer may plant 15 acres or raise 200 bushels of wheat without having a penalty imposed upon him. The bill before us provides for 25 acres or 400 bushels of production without having penalty imposed upon him. I favor that particular provision because it takes care of the small farmers who of necessity are forced to change their farming plans. They want to raise wheat, and they can raise 25 acres of wheat or 400 bushels without having any penalty imposed upon them.

About 15 years ago I opposed crop control if marketing quotas are approved by the producers. I am still against crop control, but due to the program that has been in operation since 1938 necessity forces me to recognize that we

have arrived at a situation where we must have some control as long as we have a price support program for wheat and other commodities.

It is estimated that we will have a good wheat crop this year in spite of the drought that exists in some sections of the country. We do not have—the foreign market to which to ship our surpluses, although here a few days ago we gave 37 million bushels of wheat to Pakistan. That is just a drop in the bucket when you figure that our carryover will be close to 600 million on July 1, which is but a few days away, and that the farmers in certain areas of the country are getting ready to put in their winter wheat crop. Action must be had at this time if the new crop is to have an acreage base of 66 million acres instead of 55 million acres. I favor the 66 million figure. It is advisable to have that reduction in acres, which is about 11 million acres from this year's figure, otherwise we will pile up so much wheat in this country under the support program that there will be a huge surplus. Therefore, I urge the passage of this bill so that it can be put into operation for the 1954 wheat crop.

Mr. LOVRE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from South Dakota.

Mr. LOVRE. Is it not a fact that this bill actually reduces the acreage planted to wheat approximately 15 percent, so that this bill is a reduction in wheat acreage rather than an increase?

Mr. AUGUST H. ANDRESEN. It is approximately that figure in acreage compared with what was planted to this year's crop. It reduces it around 11 million acres.

Mr. LOVRE. Is it not also a fact that for the past few years the average annual acreage planted to wheat was roughly in the neighborhood of 78 million acres and this brings that down to 66 million acres?

Mr. AUGUST H. ANDRESEN. That is correct.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. What will be the total wheat acreage under the allotment of 66 million acres?

Mr. AUGUST H. ANDRESEN. Of course, for the acreage that goes into a wheat crop we must have moisture and rain. If the drought of the Southwest extends up farther north it may be a blessing that we have a big surplus on hand to take care of the needs of the American people. Assuming that we have good crop-growing conditions it would bring the production down to approximately 900 million bushels for 1954.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. POAGE. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I yield myself this time in order to express to the House the view of the minority on the committee which was to the effect that this bill is basically a sound, proper piece of legislation and one deserving of the support of the membership of the House.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Tennessee.

Mr. SUTTON. Was this bill recommended by the Secretary of Agriculture to the Committee on Agriculture?

Mr. POAGE. Frankly, I cannot say what the Secretary of Agriculture recommended, but I listened to the testimony of witnesses who discussed the bill before the committee and tried to make up my mind on the basis of what I thought was sound for the country without regard to what the Secretary of Agriculture recommended. The testimony before the committee convinced me, as it obviously convinced other members of the committee, that we do need this type of legislation.

There is no question but what if we make the kind of cut that probably would be made in wheat acreage if we do not pass this bill, we would bring about a complete disaster in many of the wheat-growing sections of the country because it will result in a cut of more than 35 percent.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As I recollect it, the Secretary recommended 62 million acres but had no objection to the 66 million acres.

Mr. POAGE. I believe the gentleman is correct.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Tennessee.

Mr. SUTTON. I realize the gentleman does not vote on legislation according to the way the Secretary of any particular agency requests that the legislation be brought about. It was approved by the Secretary of Agriculture which is the agency that has to administer this law.

Mr. POAGE. I think the gentleman from Minnesota is correct in saying that the Secretary recommended 62 million acres, but said that he had no objection if we made it 66 million. The committee did take the figure 66 million acres as the minimum acreage for wheat production in the United States.

I recognize some will say, "Well, you ought to bring the minimum acreage down low enough to bring your prospective production in line with your prospective consumption and not to build up any surplus." I think that is a good, sound basis, but when you go too far you have not only the question of what will happen to the farmers who are left without enough land to make a living, but you also have the problem of what are you going to do with the unused acreage. When you abandon or transfer out of wheat some 20 million acres, as we probably would without this legislation, the question immediately arises, Where does that 20 million acres go? In what crops can you put that 20 million? It is perfectly obvious if you are going to create that large a volume of unused acres, in attempting to solve one problem you will but create a new problem

that is even more difficult. So it seems to me that the bill is helpful in that respect or, at least, highly desirable.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. For the purpose of clarification, this only applies to the coming year, due to the fact that we did have a large acreage last year, and we are trying to soften the jolt for another year and take another look.

Mr. POAGE. That is right. Last year we grew a lot of wheat because we thought we would need it; we had a big acreage because our national economy required it and we were planting it in the interest of the public. Now, it is sound to bring this acreage down, step by step. This bill will mean that next year the wheat acreage will not get quite as big a cut as it would otherwise. Next year it will allow a greater cut.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Is it not correct that whatever marketing quotas and acreage allotments go into operation, the farmers themselves, who are eligible to vote, will be given an opportunity to vote?

Mr. POAGE. That is right. Two-thirds of the farmers will have to vote in the affirmative before we will have any marketing quotas. I trust that quotas will get the two-thirds vote; that is a reasonable assumption. But quotas will not go into effect without a two-thirds vote of the farmers who are eligible.

This bill does another thing. It eliminates from control a large group of small producers. At the present time any producer who grows less than 15 acres or less than 200 bushels of wheat is eliminated from controls, and this bill would raise that exemption to 25 acres or 400 bushels of wheat. That means that the small producers of wheat, largely those in the eastern section who grow wheat somewhat as a side line, would not be subject to marketing quotas and, of course, would not participate in the program one way or the other. They will, of course, get the benefit of the program without making any sacrifice because, obviously, you cannot support the price of this grower's wheat and not raise the price of this man's wheat on the market. The market is fixed by the price at which you are supporting the great bulk of the crop. Therefore, the man whose price is not supported actually gains through the support of the market. At the same time no burden is placed on that small producer. We felt since there were so many of these small producers, and they grow such a small proportion of the wheat, that we could afford to do this.

In the case of cotton, where we have had some similar requests, we find a different situation because there we have a large part of the cotton crop grown by small producers. In the case of wheat only about 20 percent of the total wheat production is grown by these small producers.

Mr. LOVRE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from South Dakota.

Mr. LOVRE. Is it not true that those small farmers who raise not to exceed 25 acres can also participate in the support program provided they do not plant beyond their allotment?

Mr. POAGE. That is correct. But, those small producers have no burdens placed on them by this bill. This bill does not interfere with them in the least, and I can see no reason for any of that group being in opposition to this bill.

Mr. LOVRE. They get the benefit of the support program.

Mr. POAGE. That is what I tried to make clear. They do get the benefit of the support program through the increased price in the market. I think this bill should be passed. It was the opinion of the minority members of the committee that the bill should be passed. I trust there will not be any serious objection to the bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. COON].

Mr. COON. Mr. Chairman, this law is needed by wheat farmers. Its purpose is to make it a little easier for the Department of Agriculture and the farmers to work under the Agricultural Adjustment Act of 1933. It is intended to prevent a sudden and drastic readjustment of production, which would be required under the provisions of the present law.

A good many Congressmen, and good many farm organizations, and a good many of the farmers and voters of the country would like to see a law go onto the books that would in many ways be different from the act of 1933. But this is the law that is on the books now, and this is the law we will have to work with until we have time to figure out a better one.

House bill 5451 sets up reserves in both the National and State allotments to allow for adjustments in wheat production. It raises the number of acres and bushels per farm that can be exempted from the program so that farmers who do not need supports and controls do not have to worry about them. It sets up a workable penalty that will give teeth to the controls; and it avoids a cut in production that would be too drastic the first year.

I believe this bill is needed and should be passed.

Mr. E. J. Bell, administrator of the Oregon Wheat Commission, testified at the hearings for this bill that it is essential for farmers to have full and complete information on a control program before they vote on marketing quotas. This vote must be held, under provisions of section 336 of the act of 1933, before July 25, 1953. The Department of Agriculture must prepare information and instructions and get it into the hands of all wheat growers in ample time for them to study it and decide how they want to vote in the referendum. Farmers will need to know whether or not they are eligible to vote, how much of an adjustment will be required of them, and what the effect will be upon their 1954 price-

support program. It is necessary for the Department to know what action Congress is going to take on the proposed amendments before farmers can be furnished with the specific information they must have in order to vote intelligently.

For these reasons, immediate action on this bill is imperative.

The provision that 25 instead of 15 acres, and 400 instead of 200 bushels per farm can be exempt from the program, means that a little over 64 percent of the growers of wheat will be free from restrictions if they do not want to have them. According to the statement of the Department of Agriculture made at the hearings, a great majority of these small operators use wheat in crop rotation systems, and do not raise it as a cash crop. The Department states that it feels that exempting these small producers would have no significant effect on the total quantity of wheat produced for market, but it would result in administrative economies and give greater freedom of choice to the small operator.

If that is what the Department believes, then I am in favor of taking the Department's recommendation. After all it is the Department of Agriculture that is going to have to run this program.

The Department of Agriculture also takes the position that sudden and violent changes in a farmer's acreage of wheat should be avoided, because they disrupt operations and cause noncompliance with the allotments. If the present law is enforced without amendment, farmers would be required to reduce production by 30 percent in 1 year. In any man's business it is usually wise to make changes gradually. I believe that 30 percent is too much to cut the producers of wheat in one year.

It is too soon now to try to pass a new stabilization law for wheat. Now is the time to make the old law work better. But it is not too soon to begin thinking about a better law. We need a program that will encourage a maximum of self-help for the farmers, and give a maximum of freedom to the market. We must study every proposal, not only from the viewpoint of the farmers but from the viewpoint of all the people.

The Oregon Wheat League was one of the first, and is one of the best organizations in the country working for wheat farmers. For some time the League has been urging the adoption of a two-price program for wheat. I would like to endorse the principle of this program. Under a two-price system, as I understand it, wheat for domestic human consumption would be assured of a parity price, but wheat for animal feed or foreign commerce would be left free to find its own price on a world market, and production would therefore follow the world price, without restriction by the Government of any kind.

Mr. Frank K. Woolley, of the American Farm Bureau Federation, made a very important point at the committee hearings the other day when he said:

We should not lose sight of the fact that marketing is our real problem and anything else we do may be merely treating the symptoms and not the real disease. We can

build up the carryover in the hands of the Government, but sooner or later we must come down to the basic proposition of marketing wheat.

I believe this idea also is basic in setting up a future wheat program. In particular I feel we must work to develop foreign outlets for wheat.

To conclude, Mr. Chairman, I think it would be appropriate to quote the words of Mr. J. T. Sanders, the legislative counsel of the National Grange, who said at the hearings on this bill:

We would prefer not to find it necessary to have to support improvements to a program of restriction, but since we find it necessary to live with such a law for the time being, we are certainly in favor of introducing the desired flexibility and adjustments which are carried in the currently considered law.

I urge that the Congress pass this law now, while giving thought to a program for the future that will give increased responsibility and freedom to the farmer, and also develop foreign markets as a means of selling our surplus wheat.

(Mr. COON asked and was given permission to revise and extend his remarks.)

Mr. SUTTON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I am opposed to this bill because, in the first place, it is a stopgap measure which does not recognize any of the basic problems that face us in dealing with the agricultural situation. In the second place, it is a method to give the big wheat farmers of this country a chance to plant 11 million more acres of wheat and get \$2.18½ a bushel for that wheat, if he puts it in storage at the expense of the taxpayers.

I heard a lot of arguments around here a couple of days ago on the Pakistan wheat bill about how wheat was running out of our ears. You have a program that is supposed to control such things. When you get an unmanageable surplus, we are supposed to have acreage allotments. If the acreage allotments are going into effect, some of the Wheat Belt want some relief—naturally, that is what they call it. I have seen articles in the magazines about the wheat farmers. They are not satisfied with two Cadillacs. They want to get three. I saw a picture of one fellow who was using a Cadillac for a truck to haul seed out to the field. Why wouldn't he, if he can get \$2.18½ a bushel for all that he can raise. I want to show you why else it is bad. The farmers who produce meat and milk have to pay high prices for the feed which is made from wheat and corn and other grains that the farmer does not grow enough of. So you have the Government out there artificially keeping the price high and putting the grain in storage or giving it away to Pakistan or letting the weevils have it or what have you so that you have the price of milk and butter so high that the dairyman has to get a subsidy in the form of price support on butter. We have butter in storage spoiling. The whole thing is simply a vicious circle. If we are ever going to face up to it, now is the time to do it. Oh, yes, they say,

let us put it off until we have time to study it. Well, this has become the studyngest administration in the history of the United States. They have not faced the problem yet—they just study it and put it over until next year. Next year they are going to study it some more and then put it off until the year after that. They say the Democrats made a lot of mistakes, and I heard a great deal in the campaign about this farm program being a terrific mistake. So the Republicans are going to adopt the mistake and nourish it and let it grow bigger. I happen to be a farmer. I happen to know a little of some of these problems, but how do some of these responsible farm organizations feel? I do not hold this as any reason why the House should vote one way or the other. I do not always vote the Farm Bureau's advice, but they are a responsible farm organization—one of the largest. I have a telegram here where they say that this seriously violates the fundamental principle of the farmers' responsibility for keeping supplies in line with demand. They further say that the passage of this bill in its present form has grave implications not readily apparent.

But they are apparent to me and I have tried to outline a few of them. The implications are that we are going to put a crutch under these wheat farmers this year, next year, and from now on. We are never going to get supplies back in line with demand. If they do not have a famine in Pakistan, then I do not know what we are going to do with the wheat, because even with a famine we cannot store all the surplus.

The Farm Bureau says it is against this. They are against the increase in exemption; they are against raising the minimum national allotment from 55 million to 66 million acres. In fact, they say, in view of the wheat supply situation, they believe that a national allotment above 60 million acres is economically unsound. And it certainly is.

Right now you have the Committee on Rules meeting upstairs—this very minute—figuring out ways and means to bypass the Committee on Ways and Means, and to bring in here a tax that every Member, practically, on the Republican side has called iniquitous. And why do we have to have that tax? Well, as I figure it, roughly it is going to take all the money that that tax will bring in for the next six months to pay for the extra wheat that this bill will cause to be grown.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. I yield the gentleman 2 additional minutes.

Mr. HAYS of Ohio. I am glad to yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to ask the gentleman what his solution is, if he has any to offer to the present wheat surplus problem. Before the gentleman answers, I would like to point out the fact that the committee has taken this matter under very careful consideration, and we believe that without legislation of this type we probably will not

have any control over the production of wheat in the next year. And if we have no control, everybody will come to grief and the price of what will be demoralized; we will have even more wheat than we have now. Then just what will be our situation?

Mr. HAYS of Ohio. I will answer the gentleman's question by saying, in the first place, yes, I have a solution; and, secondly, by asking him a question: Does he have a solution for it?

Mr. COOLEY. This is the solution we have to offer.

Mr. HAYS of Ohio. And the gentleman will agree that this is certainly a stop-gap solution and an expensive one, will he not?

Mr. COOLEY. Oh, no; I do not agree with that.

Mr. HAYS of Ohio. It will not cost much?

Mr. COOLEY. I think it is a solution. I do not think it is a stop-gap solution. I think without the limitations provided in this bill we probably will not have any control over wheat production in the next year.

Mr. HAYS of Ohio. The gentleman believes that, and the gentleman has a right to believe that, and he may be right; but it is quite a serious penalty to pay, if they do not decide voluntarily to have some control over it, because the support price goes away down if there is no acreage allotment—is that right?

Mr. COOLEY. That is right. But still that does not do away with the surplus.

Mr. HAYS of Ohio. No, that does not do away with the surplus. But the point that I am making is this: You have heard a lot from this administration, and I might say from some Democrats, that the farmers have got to assume some responsibility. The farmers must assume some responsibility for marketing their surplus and controlling their surplus. But you are inviting them to abandon that responsibility and go ahead and produce.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am somewhat surprised at the statements that have just been made by my distinguished friend from Ohio [Mr. HAYS]. Coming as they do from a man who usually shows good judgment and a very good knowledge of what he is talking about, I am convinced that he has not thoroughly studied this legislation. There are several matters with which this legislation deals, but there are two principal things that I want to mention—most of the others are matters of detail with reference to the making of allotments and that sort of thing—

These two principal points are: First, an increase for 1 year of the minimum acreage allotment from 55 million acres to 66 million; and, second, an increase in the acreage which may be produced on a wheat farm without being subject to quotas.

Under the present law, if your production of wheat is no more than 15 acres or 200 bushels you are not subject to marketing quotas, although you are subject to acreage allotments if you desire

to secure the benefits of the price-support program. This bill increases the size of that acreage from 15 acres to 25, and this change permits about 250,000 additional wheat farms to be free from the application of marketing quotas. I think that is a very good thing from every standpoint. Primarily it is good because the farmer who produces less than 25 acres of wheat is not a big factor as far as the marketing and commercial production of wheat is concerned. He generally produces wheat as part of his crop rotation, he feeds some of it on his farm. He can hold it off the market if he does not like the price. The fact is there are about 1,200,000 out of the 1,900,000 farmers producing wheat who have less than 25 acres. The total amount they produce is only about 20 percent of all the wheat produced; in other words, if this bill is adopted, almost two-thirds of the wheat producers in this country will not be subject to marketing quotas. But that exemption will apply to only about 20 percent of the wheat production.

It will not materially interfere with the control program, and at the same time it makes the control program much easier to apply and administer, because about two-thirds of the wheat farms of the country will not be subject to supervision. At the same time any farmer who wants the benefits of the price support program will have to stay within the acreage allotment that is given the farm. The provision will be particularly beneficial to the farmers in States like Ohio, and other States east of the Mississippi River, because it will exclude a very large proportion of the wheat growers in those States from the marketing quota program.

The reason for selecting a minimum acreage of 66 million was not anything arbitrary; the figure was not just plucked out of the air, but it was felt by the committee after careful study of the situation that a reduction from the present acreage of over 77 million acres down to about 66 million was about as much as wheat farmers could take in 1 year. It may be necessary in a subsequent year to have further reductions, but we are up against this situation: If we make wheat farmers reduce more than 15 percent it is going to mean a radical change in their farming operations. Speaking directly to my friend from Ohio, who is a dairy farmer, and who I know does not feel that there should be any more competition in the dairy business, I would like to say that if we make a 25 or 30 percent reduction in wheat acreage this year and make it apply to the small farms as well as the large farms it is bound to result in an increase in dairy feed and in dairy production. There would be a shift of more than 20 million acres into other crops if we do not pass this legislation. I am sure we do not want to see a shift of more than 20 million acres of land into crops that would increase the dairy production of this country and thus create an even greater surplus of dairy products than we have at the present time. So there is no one who should be more anxious, it seems to me, to see this legis-

lation adopted than the gentleman from Ohio, who is a dairy farmer.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. May I ask the gentleman if it is not a fact that the Department of Agriculture at no time suggested even that the cutback go as far as would be absolutely necessary, if we went as far as 55 million acres.

Mr. HOPE. That is correct.

Mr. ALBERT. Did we not follow the suggestion that probably a 3 or 4 million acre cut farther than that recommended in the bill might be in order but in view of the fact it would require too sharp a reduction, they did not have any figure at which the committee arrived?

Mr. HOPE. That is correct. The statement made by Mr. Gordon, Administrator of the Production and Marketing Administration, was that if the committee felt that an acreage allotment of less than 66 million acres would be inconsistent with a policy of orderly adjustments the Department would interpose no objections to its inclusion in the law for 1 year.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. The gentleman mentioned the fact I did not want any more competition. I will pass that over by saying I do not mind competition. Will the gentleman tell me how you are going to get too much additional competition in the dairy industry right away? The gentleman knows as well as I do you just cannot go out and create cows. You can go out and buy somebody's cow somewhere, but if you buy that from a fellow then he is out of production. You do not snap your finger and create a cow. It takes 2 or 3 years to develop them.

Mr. HOPE. The gentleman is a dairyman, he is a good dairyman, and he knows that the matter of dairy production is a matter of feed.

Mr. HAYS of Ohio. Yes. There is another question I want to ask the gentleman.

Mr. HOPE. Let me finish my statement. This land that is going out of wheat production will go into something else. The easiest thing to put it into, and the thing it will go into in most cases will be either grass, the legumes, or feed grains, which will produce more dairy feed and result in more dairy production.

Mr. HAYS of Ohio. Maybe lower prices, too, I hope. The gentleman has made an issue here of the small farmer. Just how is the small fellow going to be penalized? I see the report says it is going to throw his rotation out of gear. They use the figure of 28 acres of wheat. How many who are producing 28 acres of wheat ever avail themselves of price supports anyway?

Mr. HOPE. The Department of Agriculture tells me a very considerable number of them do, and that a very considerable number of them, even when the marketing-quota provision was down to 15 acres, still availed themselves of

the price-support program. I am giving that as a statement made before the committee by Mr. Gordon, Administrator of the PMA.

Mr. HAYS of Ohio. Out in my area they do not as a general rule, because, as the report says, the wheat is consumed on the farm, so there is no use of going through all of that redtape. Is this not a prelude to what will come in sometime for peanuts, tobacco, and rice? Are we going to make any attempt to solve this problem, or are we going to extend and extend and extend?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself 2 additional minutes in order to answer the gentleman's question, which is certainly a proper one and one that I will be glad to answer. The best answer to it is that we have had these programs in effect now since 1938, 15 years. We have not had this kind of legislation coming in and the only occasion for it this year is the fact that we have an unusual situation in that farmers producing wheat have been requested by the Department of Agriculture for the last 3 or 4 years to reach certain rather high goals. I am not criticizing anybody, because farmers were urged to plant up to certain goals. We had a war on. We had certain obligations that we were attempting to carry out under the International Wheat Agreement, and we have been using wheat to a certain extent, as part of our foreign policy in this country. It was felt by the Department of Agriculture that we should keep our acreage and our production up to a point where we would not be caught with a carryover which was too small for these purposes. It happened that last year we produced the second largest wheat crop we have had in our history, and this year we will produce a larger than average wheat crop. The Korean war and inflation have ceased to be a factor insofar as farm exports are concerned, and the result is that partly because of the efforts of farmers to reach the goals requested by the Secretary of Agriculture, we find ourselves with a supply of wheat at this time which, if we apply the formula in the law, would result in a cut in wheat acreage so severe as to seriously effect our entire agricultural production. It is not the wheat farmer alone who would suffer from this; it is going to be the dairy farmer and the producers of all other agricultural commodities, because if you have a 25-million or 30-million acre reduction in wheat that acreage will go into something else. It was felt by our committee that under all the circumstances and taking into consideration the entire picture of agriculture in this country, that the soundest thing and the safest thing that we could do would be to limit this reduction this year to approximately 15 percent, by providing for a minimum acreage allotment of 66 million acres.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Does the gentleman have any plan in mind? If this

surplus keeps on, what are we going to do with it? We have been bailed out by two wars now and we hope we will not be bailed out by another one, and if we are not, we are going to have to do something about it. We cannot go on producing at this rate.

Mr. HOPE. The gentleman has asked a good question and I have not time to develop it right now, except to say I am in favor personally, and I think there is a growing sentiment in this country, for a two-price system as far as wheat is concerned: A price-support program based on parity for that part we consume domestically as human food and then letting the remainder go into the export market at the world price.

Mr. HAYS of Ohio. Now I think the gentleman is getting somewhere. We ought to be doing that right now.

Mr. HOPE. We cannot do it all in one jump.

Mr. HAYS of Ohio. I realize that.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SUTTON. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. MILLER].

Mr. MILLER of Kansas. Mr. Chairman, I can speak somewhat from experience. I am sorry I have only 5 minutes' time, because I have had more than 5 minutes' experience on this issue.

My memory goes back to the time when there was no farm program. The gentleman from Ohio seems to be very anxious that we do away with this problem altogether; that it is the easiest thing in the world just to abandon it and go back to the condition that existed before there was any farm program. It has not been too long ago, in the early campaigns, that I heard that very thing advocated.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Kansas. I yield.

Mr. HAYS of Ohio. I do not want the gentleman to put words in my mouth. I did not advocate the abandonment of the farm program.

Mr. MILLER of Kansas. Pardon me if I misquoted the gentleman. I understood, at least from what he said, that he wanted this problem solved, and I was going to say that is the way to solve it, and that is the only way to solve it, just to abandon the program.

I can remember when I hauled wheat off to the market at 28 cents a bushel, and I have seen the best corn that was ever grown sell for 8 cents a bushel at public sale.

I converted a lot of wheat and corn into hogs. I saw hogs get so cheap they got down to \$1.75 a hundred, and you could make about 100 percent profit feeding your corn into hogs, but you had to have a thousand hogs to make any money, and I never could raise a thousand hogs. So we got into a vicious circle. The cheaper the wheat the more hogs you had to raise, and the more hogs you raised the cheaper the hogs, and there you were.

You remember the International Harvester Co., and Alexander Legee, chairman of the board of the International Harvester Co. Some of you men are old enough to remember when he was going

to tell us farmers how to solve this problem. He was employed by the Government. It was in a Republican administration, I believe. He went down South and told the cotton farmers to plow up a percentage of their cotton. He told us corn farmers to plow up a part of our corn, and he said the same to us wheat farmers. He told us to raise fewer hogs and cattle. But we had no program. We did not have any board of directors of 6 or 8 or 10 men to go out and say, "Do this," and it would be done. When you are going to regulate the actions of 10 or 15 million farmers it has to be done through the agency of the Government, and that is what we are trying to do here today.

I am very happy to find out that the people on the left, as good friends of mine, I believe, as the people on the right, have come to realize that now, since the shoe is on the other foot, this farm program is not to be thrown overboard—it is just simply to be carried on in the best way possible.

I have read this bill very carefully. I know it provides for a reduction of something like 10 or 15 million acres below what we grew last year. Some ask why it provides for the seeding of 66 million acres greater rather than the minimum of 55 million.

The reason is this: A prime factor in the growing of the wheat is the weather. We farmers cannot regulate our weather. Wonderful to relate, I suppose you people who come from the cities and the towns can do that, or maybe it does not make any difference, but, with us, we watch the weather from day to day. We might plant 66 million acres of wheat this fall, and we might have a very short crop next year. That is in the hands of another power. That is why it is much safer to advocate the planting of a few more acres than we might need than to have a few less. It is better to err on the side of too much than it is too little.

In answer to the question as to how we are going to solve this problem, if we just carry on as we are doing—and nobody is hurt too much—if we just carry it on a few years, these young men and women who are producing all these babies—3 millions, is it, every year?—will solve the problem. This problem is going to reverse itself before we know it.

To be sure, we may need marketing quotas. Why not, with the assistance of the National Government, regulate our production as other industries regulate their production to meet the probable demand. We cannot regulate the weather, to be sure, but we can make estimates based on the history of the past. We have done it before, and it worked. We can do it again. That is just what this bill proposes—that the farmers be given an opportunity to vote on the question whether or not they want market quotas.

Now, I wish to go into one other matter that has been brought up here today. That is in regard to the so-called subsidizing of farmers. Call it price-support subsidy, if you want to, but I will tell the Members of Congress this, and more especially those representing other lines of business, this price support means just as much to the manufac-

turer, the wage earner, the service people, yes, and the white-collar people, too, as it does to the farmer.

Take away that agricultural price support and see what will happen. Who will buy all your output of tractors, automobiles, trucks, farm machinery, your cotton and woolen goods? The farmer is by far the heaviest consumer of goods in this country. Lay a burden upon the back of the farmer and you hang a heavier burden upon every occupation in the Nation.

We simply must continue the program of parity for agriculture, which, after all, means nothing more than equal justice.

While I am on the subject, I take this opportunity to remind the Members of this Congress that the farmer is not alone in receiving benefits at the hand of the Federal Government—a benefit in which all join and to which all, including the farmer himself, contribute.

Let me ask you: How about subsidies to airlines? How about subsidies to shipping lines? How about protective tariff that the farmer paid for a hundred years on many articles and still pays? And, lest I forget, how about subsidies to banks? What is the difference between pegging the price of corn and wheat and pegging the price of Government bonds? Mr. Chairman, this is one of the most important bills to come before the House. I cannot think of one more important to all the people unless it would be a kindred bill providing a program to save the soil, to produce the crops, to feed the people.

Mr. COOLEY. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, I hardly anticipated that any opposition would be heard in connection with this pending measure, and I am somewhat surprised that the only opposition thus far has come from the Democratic side. I do not think that the opposition is very logical or reasonable.

I think those of us who have studied this problem through the years realize that unless we furnish the machinery which enables farmers to keep production in line with reasonable consumer demand we always come to grief, prices are demoralized, farm purchasing power is destroyed, and the impact on the Nation is always very severe.

No one questions the fact that we now have a tremendous surplus of wheat on hand, and no one familiar with the situation can fail to know that unless we enable the farmers to exercise control over next year's production we will in the absence of some national tragedy have even larger production than we have ever had before, because our farmers have been schooled in the techniques of intensified production.

Our farmers have mechanized and the per unit yields have tremendously increased year after year. This legislation is not stopgap legislation even though it may be regarded by some as stopgap legislation. Actually, but for the passage of this law, which raises the minimum in a reasonable way, the indications are that the farmers probably would reject wheat quotas outright. That means they would not have the

benefit of the high price support program. It means we would have a tremendous surplus, and we would find ourselves again with a surplus of wheat in a hungry world. There would be other great demands upon us to give away the products of our farms at the cost of the taxpayers of the Nation. This is a reasonable adjustment in the production of wheat. It is an adjustment which will not adversely affect small wheat farmers. As has been pointed out by my distinguished colleague from Kansas, the chairman of our committee [Mr. HOPE] the reduction would be brought about in that part of the country where wheat production has been mechanized and commercialized and the reduction will be made by the large farmers and not by the little, noncommercial farmers who produce less than 25 acres of wheat. By increasing the minimum from 15 acres to 25 acres, we eliminate a great deal of the administrative costs which necessarily would be involved.

Time is of the essence at the moment because, if you will notice the report, the Secretary on July 1, which is next Wednesday, issues his proclamation. On July 15, he must announce the acreage allotments and marketing quotas, and on July 24, he must conduct a referendum. This legislation should be passed without opposition, and its passage in the other body should be expedited. It should be signed by the President so that the present Secretary of Agriculture will know just what the Congress wants to be done before July 15 rolls around and he announces the quotas. If, after he announces the quotas, it is necessary for him to change his order in accordance with the provisions of this act, then other expenses will be incurred. I think that this legislation should be adopted, and I think these provisions are in all respects reasonable. Perhaps the law would have been changed long ago, but for the fact that we have had no necessity for a control program on the production of wheat in the past 12 years, but all of us know something about the blessings and benefits of these adjustment programs, and I think the producers of basic agricultural commodities know something of the blessings and benefits of this program, and they are willing to bear some of the burdens of the program. I do not believe that unlimited production is in the interest of the consumer any more than it is in the interest of the producer.

What happens if this bill is not passed? July 1 comes next Wednesday, and the Secretary issues the proclamation. July 15 comes around and he issues the acreage allotments and marketing quotas. July 24 comes around and the farmers are unwilling to approve quotas which result in such a drastic reduction, and in such a drastic change in the pattern of their farming and quotas are repudiated in the referendum on July 24. Then the wheat farmers of the Nation are at the mercy of the merchants. Their only support program will be 52 percent of parity. So it means that the little farmer is the one who will suffer most of all because he is not in a position to produce a great volume, whereas the mechanized farmer in the

great wheat area who has mechanized his farm would increase his planting in an effort to grow a great volume so as to minimize his loss. So in the ultimate end the little wheat farmer would be the one that would bear the burden.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. MARSHALL. Does the gentleman have any information that would give the House any assurance that the present administration and the Department of Agriculture will present the facts to the farmers so that they can act intelligently upon the referendum when they are called to vote upon it?

Mr. COOLEY. I have every reason to believe that the present Secretary of Agriculture would present the facts. I have every reason to believe that the Members of Congress from the wheat-growing areas will see to it that accurate information is furnished to the wheat farmers of their districts.

Mr. MARSHALL. I would agree with the distinguished gentleman, and I would also hope that that would be true. But it seems to me that the present Department is a little slow in getting out information, and the farmers will be called upon to vote upon this within a month. And this is a highly important matter. It does mean that they must have the facts in order to vote intelligently upon something that means so much to them and their welfare.

Mr. COOLEY. The gentleman emphasizes my very first point, and that is that we should pass this legislation as expeditiously as possible.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I might advise my colleague from Minnesota [Mr. MARSHALL] that it is the same officials who are administering this as have been handling it during the past 10 years.

Mr. COOLEY. The gentleman means that this is one change that Republicans have not made?

Mr. AUGUST H. ANDRESEN. No. We have not made any changes down there except at the top. But Mr. Walker and some of the others down there have been running this control program for many years.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. It seems to me that the gentleman said that the small wheat farmer is the one who would suffer from not putting this into effect. Do you suppose, when you reduce the purchasing power of the farmers of the United States nobody else is going to suffer?

Mr. COOLEY. No. I was making a comparison between the commercial, mechanized farm and the farm of the small man who cultivates less than 25 acres. The man with great machines and large fields can produce more economically and he can produce in greater volume and he can sell at a lower price than can the man who cannot mechanize.

his farm and make up in volume what he loses in value.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. McCARTHY. I want to point out, on the basis of what the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has said, it may be that the present administration is fulfilling one of their campaign promises, that they were going to use the best brains in the United States in order to carry out their program.

Mr. COOLEY. The gentleman means by keeping those who were in charge of the program last year?

Mr. McCARTHY. That appears to be the case. They are still running on Democratic brains.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know how much wheat the United States expects to buy from Canada this year to pile on our surplus so that we can continue to help the Canadians balance their budget and reduce taxes?

Mr. COOLEY. No. The gentleman might refer that to the Department of Agriculture. We are not in control down there at the present time. Certainly Democrats cannot be charged with any unholy things which might hereafter occur. If wheat comes in from Canada please do not complain to us—take it up with your own bureaucrats and see what you can do about it.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I am happy to announce to the House that the President of the United States about an hour ago signed the bill providing a grant of 1 million long tons of wheat for Pakistan; and that the first shipload will leave for Pakistan tomorrow from Baltimore. I want to pay tribute to the Committee on Agriculture of this House for its expeditiousness and success in handling this Foreign Affairs bill. This project took form only a little over a month ago when several of us returned from a visit to Pakistan, and the job is already done and the wheat is on its way.

Mr. COOLEY. On behalf of the Democrats on that committee, I accept the gentleman's compliment and good wishes, and I want to say that I think the gentleman from Minnesota [Mr. JUDD] is just about the best ambassador that Pakistan has ever had.

Mr. JUDD. I judge from the vote of more than 4 to 1 for the bill, that a great many Members of both parties, particularly those in the belt that grows wheat, were in favor of having this piece of legislation on the books.

I really rose to state for the record that because the chairman of the committee, the gentleman from Kansas [Mr.

HOPE], the gentleman from North Carolina [Mr. COOLEY], the gentleman from New York [Mr. JAVITS], and myself were down at the signing, we were obliged to miss the rollcall on the motion to recommend the bill H. R. 5728, authorizing disposal of rubber-producing plants.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield for a question?

Mr. HOPE. Mr. Chairman, I yield myself 2 minutes for the purpose of yielding to the gentleman from Oklahoma.

Mr. WICKERSHAM. I know some Members are fearful about having too much wheat. I should like to call attention to the fact that this is the year of the 17-year locusts which is usually accompanied by a 7-year drought. We have a terrific drought in many sections of the country, and the Republicans are in control. There is an old saying down my way that whenever the Republicans are in control we are always unfortunate in that we have some national disaster. We have the drought now. I doubt very seriously, considering the rapid increase in population and the condition of starving people in many lands; the possibility of export, that we are going to have too much surplus of wheat. May I further remind you of the old Biblical story that when you have 7 years of plenty it is usually followed by 7 years of drought. So do not get too worried about a tremendous surplus.

I believe that the committee should consider the possibility of swapping of cotton and wheat allotments at the country level in the areas where the Cotton and Wheat Belts overlap, including Oklahoma and the Plains States.

Mr. AUGUST H. ANDRESEN. If the gentleman will yield, we hope we will not have any wars in the Republican administration. I hope we can effectively settle the peace we would like to have.

Mr. HOPE. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I propose to support this legislation as a solution of the surplus-wheat problem. I represent a huge wheat-producing area in eastern Montana. We are large commercial growers; we recognize this surplus situation in wheat and understand that it has to be met, and I believe this committee has met it in the most equitable way possible. I am sure the farmers of my area will support this solution in the hope that it will solve the problem and make it possible to receive the benefits that will accrue because of the carrying out of the present wheat program. The proposal makes possible the reduction in wheat acreage for next year from 78 million acres to 66 million acres, or 15 percent. The measure is not applicable to the small grower of 25 acres or less or one who grows less than 400 bushels.

I believe the measure is necessary to meet surplus-wheat production in this

country if we are to continue to have the benefits of the wheat program.

The CHAIRMAN. All time for debate has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 301 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) By striking out in paragraph (8) the language "during the 10 calendar years in the case of wheat, and during the 5 calendar years in the case of cotton," and inserting in lieu thereof the language "during the 5 calendar years"; and by deleting the language "and, in the case of wheat, but not in the case of cotton, for trends in yields."

(b) By striking out in paragraph (13) (A) the language "per acre of corn or wheat" and inserting in lieu thereof the language "per acre of the commodity"; by inserting in the first sentence immediately after the language "10 calendar years" the language "in the case of corn, and 5 calendar years in the case of wheat,"; by inserting in the first sentence immediately after the language "weather conditions and" the language "in the case of corn, but not in the case of wheat, for"; by striking out in the second sentence the language "10 calendar years" and inserting in lieu thereof the language "10 or 5 calendar years, as the case may be,"; and by striking out in the second sentence the language "10 years" and inserting in lieu thereof the language "10 or 5 years."

(c) By striking out in paragraph (13) (E) the language "and wheat, but not in the case of cotton or peanuts" and inserting in lieu thereof the language "and, but not in the case of cotton, wheat, or peanuts;" and striking out the language "and wheat, and 5-calendar years in the case of cotton or peanuts" and inserting in lieu thereof the language "and 5 calendar years in the case of cotton, wheat, or peanuts."

With the following committee amendment:

Page 1, line 3, after the word "that", strike out all the rest of section 1.

The committee amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no intention of taking 5 minutes, but in connection with the remarks of the gentleman from Minnesota [Mr. JUDD] a few minutes ago, and the business of giving \$100 worth of wheat to Pakistan, I would call to your mind that 3 years ago today, Washington time, the war in Korea got under way. I telephoned the Defense Department today and ascertained that their latest figures show 146,708 American casualties in Truman's Korean police action, with 24,338 Americans dead. I hope that as a result of this wheat now going to Pakistan the gentleman from Minnesota, being the great Ambassador to Pakistan that he is reputed to be, can somehow induce the Pakistan Government to send at least a few combat soldiers to Korea to give us a little assistance. They have sent not a single one thus far as this war goes into the fourth year.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I ask unanimous consent to speak out of order on Reorganization Plan No. 6, to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REORGANIZATION PLAN NO. 6 OF 1953

Mr. HOFFMAN of Michigan. Mr. Chairman, tomorrow before the House for consideration will come the President's Reorganization Plan No. 6 of 1953. The purpose of this plan is to reorganize the Department of Defense.

While there are several comparatively minor objections to the plan, the main objection is based on the provisions of subsections (c) and (d) of section 1.

These two sections provide that the Chairman of the Joint Chiefs of Staff shall have authority to direct the activities of the Joint Staff, and they also provide that the selection of the members of the Joint Staff is subject to his approval and hold office at his pleasure.

Inasmuch as the Joint Chiefs of Staff must act upon information prepared by others and as, from the nature of the reorganization proposed and from the present organization of the armed services, that information naturally must come from the Joint Staff, the authority to determine who shall serve upon the Joint Staff carries with it the power to determine the volume and the kind of information that will be permitted to reach those who formulate policy and direct the carrying out of the policy adopted.

In the opinion of many well-informed and experienced individuals—Hon. Herbert Hoover, Mr. Ferdinand Eberstadt, Maj. Gen. Merritt A. Edson, United States Marine Corps, retired, Gen. Robert W. Johnson, and others—vesting the Chairman with the power indicated opens the door to a dictatorship, to the establishment of a Prussianized general staff.

This tendency was clearly recognized by the task force of the Hoover Commission, headed by Mr. Eberstadt.

The task force on which he served held hearings for 150 days—hearings, 99.

Mr. Eberstadt testified that the task force "without any question at all would have disapproved subsections (c) and (d)." He added, "There is a great deal to indicate that the minority group would have approved it, but not the Commission."

The minority group was the Acheson group—see chart, exhibit A, page 151, introduced at the hearings. Then, because there had been some misunderstanding as to the views held by former President Herbert Hoover, Mr. Hoover wrote a letter which reads as follows:

JUNE 19, 1953.

Hon. CLARE E. HOFFMAN,
Chairman, Committee on Government
Operations, House of Representa-
tives, Washington, D. C.

MY DEAR CONGRESSMAN: I had intended to take no part in the division of opinion upon reorganization of the Department of Defense Plan No. 6, but a misunderstanding regarding a telephone conversation seems to require that I do so. I therefore wish to state that I am in full agreement with the plan except for the point raised in the presentation of Mr. Ferdinand Eberstadt, with whom I fully agree.

Yours faithfully,

HERBERT HOOVER.

That the issue which will be before us tomorrow is broader than this question of reorganization is well indicated by an article by David Lawrence published in today's issue of the New York Herald Tribune, which reads as follows:

"PRUSSIAN" DEFENSE DEBATE SEEN HIDING GRAVER ISSUES

(By David Lawrence)

WASHINGTON, June 24.—Something more is involved in the pending debate on the proposed plan for reorganization of the Department of Defense than the question of whether a Prussianized general staff system shall be introduced in America. It is, fundamentally, whether Congress will ever again permit the Chief Executive to submit departmental reorganization plans that are not subject to amendment by Congress itself.

When President Eisenhower came into office, there was opposition to an extension of the law which had authorized the submission of reorganization plans, and only after House and Senate leaders intervened was the power which had been given to Mr. Truman similarly granted to the new President. But at that time murmurs were heard about the absolutism of the reorganization plan technique. Congress, however, did not have enough evidence of how such a law can be abused to warrant a fight.

Mr. Eisenhower, therefore, has more at stake than the plan for reorganizing the Department of Defense itself. His failure to allow his spokesmen in Congress to agree to an amendment of the plan means that, if Congress goes along again this time, it will confirm its own abdication of the legislative function on matters of governmental organization. No President hereafter will seek amendments of basic law if he feels he can get away with a single package of amendments of his own choosing by simply calling it a "reorganization plan."

PRINCIPLE VERSUS PERSONALITY

The plan for the Department of Defense is in the main acceptable to all factions, especially those provisions which relate to procurement of materials and equipment and administrative procedure generally. But the provision which has aroused widespread protest is the one that would set up the equivalent of a Prussian general staff with a single military man at its head. This comes about because the Chairman of the Joint Chiefs of Staff is no longer to be merely a presiding officer over the chiefs of the three armed services when they get together to formulate military policy. Under the plan, he would become the boss of the Joint Chiefs, and he would be authorized to gather around him a complete staff of officers of his own choosing without regard

to the wishes of the heads of the three armed services or their recommendations as to which officers are fit to represent their respective services on the all-important "joint staff."

The administration thought that, by naming so popular and sensible an officer as Admiral Radford to be Chairman, the opposition would evaporate. But the principle is more important than the personality of the individual who happens for 2 years only to occupy the post. Once the system is imbedded, it will be interpreted in any way any future Chairman chooses.

The vice of the current Defense Department plan is that it puts one man next to the Secretary of Defense enabling him not only to influence the latter with respect to his own views, but also to support them by recommendations from a staff of "yes men" who can be chosen by the Chairman of the Joint Chiefs over the protests of the Joint Chiefs themselves.

The scheme introduces an unprecedented grant of power to one man. It means that the heads of the three armed services are relegated to a subordinate role and, while the law speaks of them as the "principal military advisers" to the Secretary of Defense and to the President, they can be ignored or their views set aside by a powerful Chairman of the Joint Chiefs who will be able to have direct access constantly to both the Secretary of Defense and the President.

The argument has been advanced that, if the scheme doesn't work, it can be amended by future law. It is the principle, however, which will become imbedded in the Defense Department and eventually a bigger bureaucracy will be built under the Chairman of the Joint Chiefs.

PRESENT SITUATION CITED

Worst of all, the present situation in the House illustrates how the Executive can force the repeal or amendment of basic laws without affording Congress an opportunity to modify a single phrase or to delete a single paragraph without voting down the whole thing. The House Committee on Government Operations has attempted to strike out a single paragraph, but there are parliamentarians of experience who say it cannot be done lawfully.

So Congress is confronted with the necessity of killing an entire plan, which it may not wish to do, in order to force a change in a single provision. This gives the Executive far-reaching control over existing laws and can lead to fundamental changes that will be difficult for the Congress to remedy by subsequent legislation, especially since the President by his veto can kill any such proposal unless it happens to be supported by a two-thirds vote in both houses. Through the reorganization law, the President legislates, and neither House can amend his laws, but must take them or leave them as a single entity.

The new plan for the Defense Department will produce dissension that will impair the spirit of unity so essential if the armed services are to be integrated. The reorganization plan isn't fully understood by many Members of the House, but some day not far distant, when there is a fight on extension of the President's reorganization powers, the shoe will be on the other foot and the administration will lose out. This is too high a price to pay for the pressuring through Congress of a plan that could easily have been modified by the Executive before being sent to Congress.

EXHIBIT A

Comparative analysis of views regarding (1) Chief of Staff for the Armed Services and (2) a Chairman of the Joint Chiefs of Staff

Issue	Hoover Commission majority ¹	Hoover Commission (Eberstadt) Task Force on National Security	Dean Acheson minority of Hoover Commission	Present status and powers of JCS Chairman under law	Powers and status of JCS Chairman, after reorganization Plan No. 6	Comments
Chief of Staff of armed services.....	No ²	No.....	Yes.....	No.....	Yes.....	Hoover Commission terminology accepted; JCS Chairman to have nearly all powers recommended for a Chief of Staff by Acheson minority.
JCS Chairman.....	Yes.....	Yes.....	Opposed "temporizing" title of "Chairman." Yes.....	Yes.....	Yes.....	Hoover Commission terminology accepted.
Highest rank in armed services.....	Opposed by Mr. Hoover in 1949 HASC testimony; said it was contrary to Commission view.	Opposed by Mr. Eberstadt in 1949 HASC hearings.	Yes.....	Yes.....	Yes.....	In accordance with Acheson minority of Hoover Commission.
Preside over JCS.....	Yes.....	Yes.....	Yes.....	Yes.....	Yes.....	No conflict between Hoover majority and Acheson minority.
Intermediary between President, Secretary of Defense, and JCS. Chairman is member of JCS, additional to 3 service Chiefs.	Yes..... No.....*	Yes..... No.....	Yes..... Yes.....	Yes..... Yes.....	Yes..... Yes.....	Do. In accordance with Acheson minority of Hoover Commission.
Control of Joint Staff. To have a military staff of his own?..	No..... No.....	No..... No.....	Yes..... Yes (the Joint Staff to be subordinate to him).	No..... No.....	Yes..... Yes (the Joint Staff will be subordinate to him).	Do. Do.
Power to initiate and terminate JCS discussion.	No.....	No.....	Yes.....	No.....	No (however, control of the Joint Staff will give the JCS Chairman increased influence over JCS planning).	Acheson minority view not accepted. Proposed control over Joint Staff together with present power of JCS Chairman to prepare JCS agenda is trend toward Acheson minority position.

¹ Mr. Hoover testified before HASC, 1949 hearings on National Security Act amendments: "Our recommendations were that there be an independent Chairman of the Joint Chiefs of Staff and that he was to serve *only* as a presiding officer and report decisions or disagreements to the Secretary of Defense. But, that he was to have no decision powers and not vote or *any other authority*." [Emphasis added.]

² Position of Hoover Commission indicated by its general concurrence with the report of its (Eberstadt) Task Force on National Security and by its rejection of the Acheson minority proposal.

The Clerk read as follows:

SEC. 2. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) By inserting in subsection (a) after the words "The national acreage allotment for wheat" the language ", less a reserve of not to exceed 1 percent thereof for apportionment as provided in this subsection."

(b) By adding at the end of subsection (a) a new sentence to read as follows: "The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the 5 calendar years immediately preceding the calendar year in which the national acreage allotment is proclaimed."

(c) By striking out in subsections (a) and (b) the word "ten" wherever it appears and inserting in lieu thereof the word "five."

(d) By inserting in subsection (b) after the words "The State acreage allotment for wheat" the language ", less a reserve of not to exceed 3 percent thereof for apportionment as provided in subsection (c) of this section."

(e) By inserting in the first sentence of subsection (c) after the words "on the basis of" the language "past acreage of wheat."

(f) By striking out in the second sentence of subsection (c) the words "such county" and inserting in lieu thereof the words "the State."

(g) By striking out in subsection (d) the figure "1940" and inserting in lieu thereof the figure "1950."

With the following committee amendments:

Page 3, line 1, strike out "Sec. 2. Section" and insert "section."

Page 3, line 5, strike out "1" and insert "one."

Page 3, line 14, strike out "five" and insert "ten."

Page 3, strike out lines 17, 18, and 19.

Page 3, line 20, strike out "(d)" and insert "(c)."

Page 3, line 24, strike out "(e)" and insert "(d)."

Page 4, line 3, strike out "(f)" and insert "(e)."

Page 4, line 6, strike out "(g)" and insert "(f)."

The committee amendments were agreed to.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to call the attention of the members of the committee to a map which I hold in my hand. It could solve all of the difficulties concerning the production of wheat.

You will notice the 1952 dry areas down in the Southwest and, from what you may see from where you sit, in 1953, this year, you will appreciate how far north the drought has extended. I might also add that as far as percentage is concerned it has almost doubled in 2 years. That drought area could take care of all of the surplus of wheat we have produced.

I have another map here which influenced me to a considerable extent in my conclusion as to what I was going to do today in this bill. This is from the Bureau of Agricultural Economics. Here is the line of the hard red winter wheat from 1920 to 1953 and I call your attention to how even they run on production.

Let us not be too excited this afternoon about our surplus wheat. I hap-

pen to have been raised by a family who always insisted that you must not throw away any bread, that somehow or other there was a curse placed on your head if you wasted bread because of its food value and the universal use of wheat as a food to relieve starvation. On this map you can see very clearly that there has not been any radical movement up or down in wheat production.

Here in the next line, which is spring wheat. It is almost a straight line from 1920 to 1953.

The next line is the soft red winter wheat. If anything, it has gone down and the Northwest has stayed practically even throughout the years from 1920 to 1953.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. And during that same period of time the population of the United States has nearly doubled?

Mr. HILL. Yes. I have in my hand another map entitled "Wheat Prices and Parity." I would like to have the attention of those who think that wheat prices have been out of line.

This starts in 1910 and runs to 1950. Now, there is an increase and decrease in the price of wheat. You will find in 1920 and in 1951 and 1952 the top price of wheat was relatively the same, and there was no such thing as parity price of wheat in 1920. You will notice the dipping of the wheat price, which I do not think we need concern ourselves with.

Another thing I would like to mention in the short time I have is this: The farm organizations support this bill, including the Farm Bureau. Let me read you just a little first from the Grange. When they appeared before our committee, Mr. Sanders, representing the Grange, said:

Present situations in wheat production cannot be handled in the best interest of farmers and the Nation with the law as at present written. Under these conditions it is necessary for us to support the amendments to the 1938 Agricultural Adjustment Act provided for in H. R. 5451.

This bill will give a greater flexibility of controls and an adjustment in production more favorable to those areas most adapted to economically sound wheat production. This flexibility is highly desirable in any system of control of agricultural production.

Mr. Patton, president of the National Farmers Union said this:

I appear in support of H. R. 5451. In my opinion the provisions of this bill are the minimum that we should do immediately to revise wheat acreage allotment and marketing quota legislation in the interest of national security.

A staff study made for the Senate Agricultural Committee and published as document No. 130 of the 82d Congress and a similar study made by Dr. Murray Benedict for the agricultural committee of the National Planning Association are agreed that reserves of 450 to 500 million bushels of wheat and 900 million to a billion bushels of corn would be required to offset year to year variations in yields. This would be required to make ordinary prudent provision for normal safety reserves. These estimates do not include provision for the extraordinary needs that may arise at any time from the unsettled world situation. Assuming these figures to be correct, and I consider them to be so, they mean that for the Nation to be definitely certain that the free world will not be caught dangerously short of grain, the United States should maintain a safety reserve somewhat larger than the normal safety reserve requirements I have just enumerated.

Here is the American Farm Bureau Federation. This is what they told us:

In 1942 the harvested acres of wheat in the United States was about 53 million. In 1945, at the conclusion of hostilities of World War II, the harvested acres of wheat was approximately 69 million. In 1952 the harvested acres of wheat was over 77½ million. By the continuation of this wartime measure producers have been encouraged to grow wheat in excess of any genuine market demand.

That is positive proof that the farmers of the United States increased their acreage of wheat at the request of the Secretary of Agriculture, and he made the request because he understood the problems and the necessity of having a sufficient supply of wheat for food. So, I say frankly, we should pass this bill without a single vote in opposition.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman from Colorado has pointed out the position of some of the farm organizations on this legislation. I do not believe that he mentioned the National Association of Wheat Growers, the secretary of which appeared before the committee and endorsed the legislation. In that connec-

tion I would also like to state that I have a letter from the president of the Missouri Farmers Association, which is one of the largest independent farm organizations in the country, in which he says that "the Missouri Farmers Association strongly believes that H. R. 5451, which would revise the wheat marketing quota law should be adopted."

Mr. HILL. I thank my chairman very much indeed.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The only farm organization from which we heard that was opposed to the full 66 million acres was the American Farm Bureau Federation.

Mr. HILL. Yes. I might say to the gentleman from Oklahoma that I am not going to get into any argument about the 66 million acres. We might find ourselves in 2 years short of wheat reserves we have now in this country. We might be sorely in need of a full reserve of wheat supply.

Mr. LOVRE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the chairman of our committee, the Honorable CLIFFORD R. HOPE, of Kansas, is to be commended for introducing and bringing to the floor this bill. It is evidence of his desire to guard against overproduction, and to bring into balance as far as is humanly possible, the law of supply and demand for this basic food. It is also in line with the spirit and intent of our support program under which we have been operating for many years—a program to produce enough food to take care of our domestic and export requirements and to provide a reasonable carryover to meet all future emergencies.

Contrary to the belief of a few, this bill does not increase our present planted wheat acreage, but in fact, reduces the present acreage by approximately 12 million acres, or a 15-percent reduction for our present total planted acreage of 78 million acres.

It will be said that this bill is increasing the statutory minimum limitation by 11 million acres. That is true, but I call your attention to the fact that this increase is a paper increase only, and not actual. The law we are attempting to amend provides for a floor of 55 million acres of wheat, but in the 14 years since this law was enacted, the actual planted acreage of wheat has been well over the 55 million acre minimum. For the past several years, the actual planted acreage has been in the neighborhood of 78 million. If this bill is adopted, the actual planted acreage will be reduced to 66 million acres.

In considering this bill, we must remember that since 1939, when the present marketing-quota law was passed, we have gone through two major wars. During this period, our Government has asked for increased production in all lines, including agriculture. Food is vital to winning a war—just as vital as guns and tanks and planes. When our farmers were asked to produce more food for our men in uniform and for our allies, they did not fail in their responsibility as

loyal and patriotic Americans. They produced the food that was necessary to meet all the needs of our Government, both at home and abroad. The fact that rationing of flour was not necessary during this period is ample proof that our farmers met their responsibility well.

When our Government asked our farmers to produce more food, the Government did not make concessions to the farmers as it did to other segments of our economy. The Government did not provide more land, more machinery and more help for the farmers to assist in meeting the demand for increased production. Our farmers were not provided with tax amortization incentives to increase production, which were provided for many other industries during this period. Our farmers went ahead on their own power and on their own initiative, and invested their own money in larger plants and equipment to meet the Government's demands. This cannot be said for many other industries.

The only encouragement the Government gave to our farmers in this period of increased production was the promise that it would support prices at 90 percent of parity, and that is all. Now, what is parity? Does parity guarantee a profit to our farmers? Not at all—it is simply a price that is determined by law to be fair to producer and consumer, alike, in relation to the cost of the articles which the farmer must buy. Is this unfair to anyone? Of course not.

To meet the demands of the Government, the farmers of our country were compelled to increase their acreage of wheat to roughly 78 million acres. Yes, it is true that now, after the crisis is over, we do have a surplus of wheat of about 500 million bushels—but is this too much at a time like this, when we do not know what will happen next? I don't think so. We should thank God we have this food supply.

If nothing else, the past wars in which we have been engaged should have taught us that in the dangerous world in which we live, this Nation cannot run the risk of having too little food in reserve when need arises. What would have happened to our country if we had been caught short of food during the past number of years? What would have happened if our farmers had failed to measure up to their responsibility for increased food production? No responsible citizen can, in the face of the grave peril presented by militant and aggressive communism, advocate a farm program which would weaken the Nation's ability to meet whatever crisis might arise in the future. Certainly, a reasonable carryover of 500 million bushels of wheat is a slight price to pay for the life-saving strength and security which this reserve gives to our Nation in times like this.

Mr. Chairman, all this bill does is to provide the machinery whereby our country can continue to meet its food demands, both at home and abroad, and to provide for a safe and reasonable carryover to meet future emergencies. To do this, it is the opinion of our chairman and his committee that it is necessary to increase the statutory minimum

limitation which was passed back in 1939, and which is now obsolete in view of the conditions we now face, by 11 million acres. But, as I pointed out in the beginning, this bill in fact reduces the present actual planted acreage by 12 million acres, or a 15-percent reduction to guard against any unreasonable carryover.

Mr. Chairman, I earnestly urge the members of this committee to support this legislation as proposed, in the interests of our own security.

(Mr. LOVRE asked and was given permission to revise and extend his remarks.)

Mr. HAGEN of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to ask the chairman of the Committee on Agriculture about certain language in the report. On page 5, under the title "Analysis of the Bill," the statement is made:

This reserve is needed primarily because of the short history of many farms in reclamation and other new areas where the production of wheat has expanded rapidly in recent years.

Is that provision of the law which that refers to a recognition that new areas in the production of wheat are entitled to recognition under a quota program?

Mr. HOPE. Let me reply to the gentleman by saying that this is the situation: We have had in wheat just as we have had in cotton and other commodities some shifts in production. There have been some States, particularly in the West, where irrigation has advanced in recent years and where some irrigated land has been used for wheat, certain areas which have not been able to apply a wheat acreage allotment history. It is the purpose of the reserve, which is a national reserve, to be used mainly to take care of those areas where there has been some recent development particularly through irrigation in the expansion of wheat acreage. Otherwise the acreage, not having any history, could not go into the program, and you would have a considerable amount of acreage which might not be under any program, which might be outside the program, and thus not be subject to the price-support provisions of the law.

Mr. HAGEN of California. You want to treat the most recent acreage fairly along with all the other acreage?

Mr. HOPE. Yes. The purpose of it is to enable that acreage to be brought into the picture in an orderly way. While in the main these programs are based upon history and upon the record of the State and the farm in the past in the production of wheat, we do not want to freeze that production on some past period of time because we know agriculture is a growing, expanding, live, and vital industry. We do not want to freeze any part of it in an absolute pattern of the past. So we have this provision which does permit an orderly expansion but still permits that increased acreage to participate in the program.

Mr. HAGEN of California. I thank the gentleman. Now, down below on the same page, reference is made to subsection (d) which adds the past acreage of wheat as an additional factor to be

considered in establishing farm wheat allotments. Is that language also a recognition of the principle that no undue hardship shall be done to any given area?

Mr. HOPE. That provision was placed in the bill at the suggestion of the Department of Agriculture. They say they have been considering past acreage of wheat as a factor and feel it should be considered. But, specifically, it has not been included in the law heretofore. That is one of several factors which is used so far as the farm is concerned in making the allotment to the farm. It has always been considered, as far as the allotment to the States and to the counties is concerned, and by implication it has been considered as applying to allotments to the farm, but it has never actually been in the law before.

Mr. HAGEN of California. May I ask the gentleman one more question, please. Would it not be a fair statement to say that the reason, or one of the reasons at least, for the increasing of the minimum acreage from 55 million to 66 million is the fact that the Congress had no desire to impose a severe cutback on this particular segment of the agricultural economy in any 1 year? In other words, it is an easing of the blow for 1954 and it is a recognition of the necessity for easing the blow.

Mr. HOPE. That is true. It was felt that a 15-percent reduction in 1 year was probably as much as could be made in a crop which covers as large an acreage as wheat. As I said awhile ago, we not only took into consideration the effect that it might have on the wheat acreage, but we took into consideration the effect this large acreage going out of wheat might have upon other crops and other phases of the agricultural economy.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GOLDEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to develop a little further the suggestion of the gentleman from Colorado concerning the very severe drought in the South and the Southwest today. Today, the Committee on Agriculture began hearings on that distressed area, and it has been shown that over a very extensive area in Texas and also to some extent in Oklahoma, there was not sufficient grain or hay to maintain the cattle, and that possibly there would be a draft upon the great surpluses we have of wheat, corn, and hay in order to relieve that situation. The evidence which we heard today showed that there had been no rain in certain parts of Texas and Oklahoma for a period of about 5 months, and that that drought situation was extending north and west. We do not know just how extensive it will be. Surpluses which we have now in wheat are not any more than about a third of what some of the people, who are supposed to know about world conditions, say that we should have. If this bill is not enacted into a law, there will be a very radical reduction in 1 year of the acreage that we have been planting to wheat. As has

been often said here, it will be such a blow that it can hardly be absorbed by the many farmers who have been growing wheat, and it will throw something like 23 million acres into the production of other crops. This bill provides a medium ground or a middle ground between the 78 million acres and the 55 million acres. In my opinion, it is a wise thing and should be enacted into law at once. The farmers themselves will have the right and privilege of voting on acre reduction and the bill is not Socialist as has been claimed. It is necessary for the farmers and wheat growers and will be beneficial to everybody concerned.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it was not my intention to speak on this bill, because I think it is a very fair one. The committee considered it well. Certainly, to have a ceiling back to the prewar condition of 52 million acres, when we asked the farmers to produce all that they possibly could during the war, would represent a drastic impact upon agriculture and the farmers of the country, particularly from the economic angle.

But I was interested in the remark of one of my colleagues, that the American Farm Bureau Federation was in favor of this bill. I received a telegram not so long ago, and I assume other Members received the same telegram, dated June 15, 1953, that specifically shows, according to my interpretation of it, that as of that date the American Farm Bureau was opposed to this bill.

My only purpose in rising was to see that the RECORD was clear. I do not agree with the position of the American Farm Bureau as stated in this telegram. But I certainly do not think that the RECORD should show that the American Farm Bureau favors this bill when, as of June 15, only a few days ago, the telegram clearly shows that they are opposed to the bill, particularly the exemption from 15 to 25 acres, from 200 to 400 bushels, and raising the minimum national allotment from 55 million to 66 million acres, saying, "In view of the wheat supply, we believe a national allotment above 60 million economically unsound."

It seems to me that that is the heart of the problem. My only purpose is to express myself in the RECORD as being in favor of the bill and to compliment the committee for the very fair way they handled a difficult and practical situation that affects the economic life of a powerful segment of our country, that the position of the American Farm Bureau should be clearly stated, the telegram being signed by Frank W. Woolley, legislative counsel of the American Farm Bureau Federation.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HAYS of Ohio. I want to say to the gentleman that before he came on the floor a few minutes ago, I made substantially the greater part of that telegram a part of the RECORD. The Farm Bureau especially is opposed to the figure of 66 million acres. They think a more equitable figure would be 60 million acres.

In all fairness I pointed out that I do not follow the Farm Bureau; they do not set policy for me. As a matter of fact, I have disagreed with them on occasion. But in all fairness to them, they realize that we have got to start meeting this problem sometime, regardless of all the fine things you might hear said. I just heard a comment that we ought to have three times the surplus of wheat that we have, for purposes of carryover. That would be wonderful, if we just had some place to put it. But right now they are putting wheat out on the ground and, if anybody will remember, 2 days ago they were arguing here that we ought to give it to Pakistan in order to keep it from spoiling. So there is a matter of practical storage problem involved here, as well as just saying that it would be nice to have that carryover in case we suffered a drought.

Of course, the whole matter hinges again on the fact that everybody admits that they do not have a solution to the problem. They hope either a war or a drought will bail us out, so that we will not have that surplus any more.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I might state to the gentleman that there was no misunderstanding on the part of the members of the committee as to the opposition of the Farm Bureau to the bill in its present form. Mr. Woolley appeared before our committee and testified; and, notwithstanding his testimony, the committee reported the bill in its present form, feeling that it was for the best interests of the country. So that I think that my colleague from Colorado [Mr. HILL] perhaps may have been misunderstood when someone thought that he might have said that the Farm Bureau favored the bill.

Mr. McCORMACK. In justice to the American Farm Bureau, and for the information of hundreds of thousands of farmers throughout the country, I wanted the record to be clear. I am very glad, however, in trying to clarify the record, to congratulate the committee, because I think they met a very difficult problem in a very just and practical manner.

Mr. KING of Pennsylvania. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, once caught in the tentacles of socialism it is very difficult to wiggle out; very few instances have we ever had in history where once caught you got out. I think it must be very apparent to everyone that that segment of the economy made up by the basic crops of this country under support prices are caught in a vicious type of socialism with a free economy completely destroyed, and now we are trying here today to wiggle out, at least trying to wiggle, trying to make very sure that we do not get out.

This bill, a very simple one, which provides for the extension of that law which, of course, becomes necessary if we are going to support prices and it says that you will guarantee the farmers high prices, but if they plant too much

we will have to step in with Federal Government controls—that, of course, is socialism; and now we are trying to determine just how stringent the controls will be, and we do not want to get the controls too stringent, that is, to hold the acreage down to 60 million, because the farmers with such drastic reductions might fail to vote two-thirds to take the money, and then the whole support program would be destroyed.

Then, too, we are trying to support the small ones, which is always a good political move, by increasing the exempted acres from 15 to 25.

The question as to how much wheat we shall grow really should be settled by what you think it takes in the form of reduction to take the Government off the hook. The Government is in the barrel, so to speak, now for more than half or a full year's wheat crop. Theoretically if we reduced the acreage next year by 50 percent we would still have plenty of wheat; but, of course, I do not believe in being too drastic myself. I think, however, that we might consider that the Secretary of Agriculture has pretty good judgment about these things and has studied all the figures. He says the figure in this bill should not be above 62 million acres, in his opinion. I think that is only because he does not feel that it is necessary to get the Government off the hook in this matter quite so rapidly. You will probably find that the following year the acreage will have to be reduced still more.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield I would just like to ask the gentleman as to whether or not he is opposed to the acreage allotment and marketing quota program generally speaking. It is difficult for me to understand whether he is opposed to this particular bill because of its form and substance or whether he is opposed to the whole program.

Mr. KING of Pennsylvania. I shall answer. I grew up out in the wheat country, most of my relatives still live there, and I followed an agricultural economy all my life. I am against the whole support program. I feel it will wreck the agriculture of this country within a period of 10 years and in the meantime cost the taxpayers and consumers an extremely large amount of money which they should not have to pay.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. COOLEY, and by unanimous consent, Mr. KING of Pennsylvania was given 2 additional minutes.)

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman says he is against the entire price support program, so I assume he is likewise opposed to the acreage allotment and marketing quota law that we now have.

Mr. KING of Pennsylvania. As long as you are going to have supports, yes. I agree that the acreage allotment and marketing quota system is necessary.

That is the other part of the socialistic scheme that becomes a necessary evil.

Mr. COOLEY. According to the gentleman's idea, the whole scheme is socialistic?

Mr. KING of Pennsylvania. Certainly. The gentleman would not say that agriculture so far as the 5 basic crops are concerned are now operating under a free economy would he?

Mr. COOLEY. I certainly do. They are operating in a free economy and under reasonable laws and regulations which themselves have to be approved by a two-thirds vote before they can have acreage allotments imposed upon them.

Mr. KING of Pennsylvania. Is not the law of supply and demand one of the important features of a free economy?

Mr. COOLEY. The law of supply and demand in our modern day and life is a cruel law so far as the American farmers are concerned. We learned our lessons before we had this.

Mr. KING of Pennsylvania. That is one of the socialistic doctrines.

Mr. COOLEY. Socialistic or not socialistic, it has served the farmers of the Nation and all of the people of the Nation, not only the producers but the consumers. Let me ask the gentleman another question: How did the gentleman vote on the Maryland tobacco law?

Mr. KING of Pennsylvania. I voted against it.

Mr. COOLEY. In committee and on the floor of the House?

Mr. KING of Pennsylvania. Yes, if I voted in committee on it.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman in stating that the Department of Agriculture recommended 62 million wants to give a complete statement, I know, and say that they did state the committee they thought was too great a reduction in 1 year, they had no objection to the figure in the bill; is that not the gentleman's recollection?

Mr. KING of Pennsylvania. That is true. He simply said he believed that 62 million was the acreage that should be set but he would yield to the committee.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. Gross, and by unanimous consent, Mr. KING of Pennsylvania was given 1 additional minute.)

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman says he believes in the law of supply and demand as a solution for the farmers' problems. Does the gentleman remember 1932 when the farmers produced an abundance and could not sell what they produced? Does he remember the number of people who were hungry in 1932 and yet could not buy the products of the farms?

Mr. KING of Pennsylvania. Yes.

Mr. GROSS. You had both supply and demand and the theory did not work, did it?

Mr. KING of Pennsylvania. It would have worked, but this country did not let it work. This country has never let the law of supply and demand work in the field of agriculture. Our history for 50 years has been one of overstimulation by the Government for the overproduction of more food than we can possibly eat.

Mr. GROSS. That is right only to a degree. The law of supply and demand did not work in 1932 because the medium of exchange was in too few hands.

Mr. KING of Pennsylvania. That has kept the farmers in a poor bargaining position all along.

Mr. GROSS. The law of supply and demand has seldom worked for the farmers.

Mr. KING of Pennsylvania. Let us keep the Government out of it and it will work, and in a way that will put the farmers in a better position than this socialistic program will ever put them in.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I wonder if the gentleman can give us any idea what disposition is going to be made of the \$3 billion worth of foodstuffs that we now have on hand? I have listened with interest to the gentleman's statement. We talk about the law of supply and demand. We have an overproduction, the Government is buying it and the American people are paying for it. What are we going to do with it?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. GAVIN, and by unanimous consent, Mr. KING of Pennsylvania was given 2 additional minutes.)

Mr. GAVIN. Has the gentleman any idea what disposition is going to be made of what we are still accumulating and still piling up more of? I would like to have an expression of opinion on that.

Mr. KING of Pennsylvania. The only thing we can do with the surplus is to give it away or exercise the right of any socialistic government in prohibiting production until the law of supply and demand is adjusted. Actually, the law of supply and demand is inevitable. No government can completely obviate it. It can only delay the adjustment that is always inevitable.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I would like to point out that this 66 million acres instead of the 60 million that the Farm Bureau recommends will probably cost somewhere in the neighborhood of a half billion dollars additional to price support the wheat.

Mr. KING of Pennsylvania. Well, you figure out for yourself what you think it would take to make the adjustment

when we have in Government hands more than half a year's crop.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

[Mr. MCCARTHY addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on this section close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. GAVIN. Mr. Chairman, far be it from me to pose as a farmer, but these various legislative proposals to help the farmer have sort of gotten me confused. I have listened to these various programs that are presented here from time to time to help the farmer and I am unable to determine whether they help him or hinder him. We have brought in the Republicans' position on farm policy, and you talk about Republican foreign policy, and now you are talking about the overall policy of the Republican administration. I think it is about time that we look this whole farm program over. The minute Secretary of Agriculture Benson attempts to secure any legislation that will give him any flexibility to determine what is best for the farmer and what is best for the people as a whole, there is a great hue and cry, "We cannot do this and we cannot do that," and legislation is enacted to hog-tie him. Why not give him a chance? He is a practical-realist with good sound common sense and I know he will do a good job if given the opportunity. What I am concerned about is that we have \$3 billion worth of foodstuffs stored in warehouses and bins scattered far and wide all over the country. These commodities are depreciating and deteriorating and ultimately somebody will have to pay the bill. Who is going to pay the bill? The American people are going to pay the bill. Why fool ourselves about that. You think you can continue these programs, over produce, have the Government buy up the overproduction and not pay the bill. It just does not make sense.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I decline to yield to my very good and very able friend whom I greatly admire as my time is limited.

I remember when I was requested to talk to a group several years ago and I was called to task for voting against the subsidy programs at that time. "You are against subsidies." I said, "Yes, I am against subsidies, and I will tell you why I am against subsidies." This was a group of about 175 people, and it was back in 1946, shortly after the war.

I said, "We spent five or six billion dollars in the last couple of years for subsidies and we did not pay our bill. We did

not pay for the subsidy programs as we went along. We put them on an already overburdened debt, to pay later." I said, "I want to tell you gentlemen here who have charged me with voting against subsidies that during the war you were at home, you had good jobs, you were getting good wages, you were not going in on the beachhead at Anzio, or Salerno, or Normandy to get your insides punched out; you weren't getting blazed out of the air in an airplane, and you weren't being cooped up in a submarine. You had good jobs, you were at work at good wages and above all you had security. But you didn't pay your bill for the subsidy. You put the bill off to pay later"—an accumulation on this national debt which is now \$267 billion. I said, "That is why I am against subsidies. You did not pay for the subsidies as you went along. You put it off to pay later, and let the boys who were over there doing the fighting for you come back home, take off their coats, and go out, find a job and earn the money to pay the taxes to pay for your subsidies, the privileges that you enjoyed, while you had security here at home and they were over there doing the fighting."

All of these programs are costing us money. How long can we continue with these programs to accumulate tremendous and vast surpluses that remain unused, and that are disposed at terrific losses to the American taxpayer? It is a fallacy. We are only kidding ourselves. Do you think a continuation of these programs are a help to the American farmer and taxpayer? The farmer pays his share along with the rest of us.

You say it is help for the farmer and it is help for the consumer, high prices to the farmer, low prices to the consumer. But I wonder if anybody ever thinks of who is going to pay the bill? The consumer does not have any voice here. I never hear anybody talk about the people that pay the bill. Continuation of some of these programs will wreck the economy of the country, the farmer included. You priced butter out of the market. You have millions of pounds you do not know what to do with. The American people are anxious to buy it if you would put it at a price within reason so that they could buy it. Sell to the people at a price they can afford to pay. Dispose of it rather than have it in storage to spoil—take the loss and try to work out some programs that make sense.

But continue with your parity payments and your subsidy payments and your acreage allotments and all the rest of this confusion piled upon confusion and you will make plenty of trouble for the people of the Nation. I extend my deepest sympathy to Secretary of Agriculture Benson; he has a tough assignment. Why not let him alone, give him a reasonable chance to carefully analyze this situation and these programs and see if he cannot develop some program that will benefit not alone the farmer but the American people, and give him an opportunity to put these foodstuffs into the stomachs of hungry people, without making the American people pay

a tax to put these commodities into the warehouses and store them up to deteriorate, rot, and go to waste.

The whole thing does not make sense to me. I know you gentlemen are thinking you are being helpful in looking after the best interests of your respective districts; Kansas, wheat; Iowa, corn; Minnesota, butter, eggs, and cheese; Nebraska, wool; California, citrus fruits; Texas, Alabama, Mississippi, and Louisiana, cotton; Georgia, peanuts and cotton; North Carolina, South Carolina, and Virginia, tobacco.

It is going to be difficult to work out programs that will satisfy all the demands of the various States, satisfy the farmer, satisfy the consumer, effect economies, balance the budget and reduce the national debt. We have had these programs for many years and the results have been unsatisfactory and confusing. I am of the opinion that it is about time we let Secretary Benson see what he can do for the next few years without restricting him, and hog-tying him to such an extent that he cannot do anything but yet is charged with the responsibility of developing the agricultural interests of the Nation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

SEC. 3. Section 335 (d) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the figure "200" and inserting in lieu thereof the figure "400."

Committee amendments: Page 4, line 8, strike out "3" and insert "2."

Page 4, line 10, strike out "figure '200'" and insert "words 'two hundred'."

The committee amendments were agreed to.

[Mr. HAYS of Ohio addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. Public Law 74, 77th Congress (55 Stat. 203), as amended, is amended as follows:

(a) By striking out in the second sentence of paragraph (2) the language "50 percent of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the act and this resolution," and inserting in lieu thereof the language "50 percent of the parity price per bushel of the commodity, as of August 1 and May 1, respectively, of the calendar year in which the crop is harvested."

(b) By striking out in paragraph (7) the figure "15" wherever it appears therein and inserting in lieu thereof the figure "25."

With the following committee amendments:

Page 4, line 12, strike out "4" and insert "3."

Page 4, line 15, after "language" insert "shall be."

Page 4, line 18, strike out "50" and insert "on wheat shall be 45."

On page 4, line 20, strike out "the commodity," and insert "wheat", and strike out "August 1 and May 1, respectively," and insert "May 1."

On page 4, line 23, strike out "figure '15'" and insert "word 'fifteen'."

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 5. Notwithstanding any other provision of law, the national acreage allotment for the 1954 crop of wheat shall not be less than 66 million acres.

With the following committee amendment:

Page 5, line 1, strike out "5" and insert "4."

The committee amendment was agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 5, line 1, change section 4 to read: "Notwithstanding any other provision of law—(a) the national acreage allotment for the 1954 crop of wheat shall not be less than 66 million acres; and (b) the referendum with respect to the 1954 crop of wheat may be held as late as August 15, 1953."

Mr. HOPE. Mr. Chairman, this is not offered as a committee amendment. However, I have discussed the matter with some members of the committee, particularly those from the wheat-growing sections, and all of them have agreed that the amendment should be offered and are supporting the amendment.

The only thing that this amendment does, the only change it makes in the bill, is to provide that the referendum, when the farmers will vote upon marketing quotas, may be held as late as August 15 instead of not later than July 25. Under existing law, the Secretary must call for a referendum and set the time for the vote not later than July 25.

Time is short. This legislation has not become a law. It will not become a law for a few days. The Secretary cannot give the acreage allotments to the States or to the counties until it is known what the national acreage allotment will be.

The law further provides that each farmer must have his farm acreage allotment before the vote is held on marketing quotas. You can see that the time is very short within which to make these allotments to the States, to the counties, and to the farms.

Furthermore, someone a while ago raised the question about an educational campaign, which is certainly necessary in order to explain the situation to the farmers who will vote on the marketing quota program. There is very little time left to carry out that program.

In reply to the question asked as to whether there would be an educational campaign, I am very glad to say that I know the Department is making preparations for such a campaign through the Extension Service and other agencies of the Government. But it is going to take time to do it. So the sole purpose of the amendment is to enable the allotments to be made to the farms and an educational plan to be carried out before the vote on marketing quotas takes place.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I am glad to yield to the gentleman from Minnesota.

Mr. MARSHALL. I would like to concur in the statements that the distinguished chairman of the Committee on Agriculture is making. It is a tremendous task to carry out the information required so that farmers may have facts upon which to base their opinions in a referendum, and I think it is highly desirable that the Department with a certain number of men of experience have additional time in order to get their statements so the farmers may have the facts.

Mr. HOPE. I thank the gentleman for his statement, because he is so unusually well informed on agricultural matters I know that he realizes the serious conditions that confront us if we do not adopt this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE].

The amendment was agreed to.

The Clerk read as follows:

SEC. 6. Sections 1, 2, 3, and 4 of this act shall become effective with respect to the 1954 and subsequent crops of wheat.

With the following committee amendments:

Page 5, line 4, strike out "6" and insert "5"; strike out "Sections 1, 2, 3, and 4" and insert "Sections 1, 2, and 3."

The committee amendments were agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 5, line 7 insert:

"Sec. 6. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection (d) to read as follows:

"(d) In making any determination under this act or under the Agricultural Act of 1949 with respect to the carryover of any agricultural commodity, the Secretary shall exclude from such determination the stocks of any commodity acquired pursuant to, or under the authority of, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596)."

Mr. HOPE. Mr. Chairman, this amendment is general in form and general in its application; and, as you have noted from the reading, it provides that in making any determination with respect to the carryover of any agricultural commodity the Secretary shall exclude from that determination the stocks of any commodity which have been acquired pursuant to or under the authority of the Strategic and Critical Materials Stockpiling Act.

At the present time this amendment would apply to only one commodity, long-staple cotton. In the classification of commodities, long-staple cotton is classified as a different commodity from cotton.

The situation with respect to long-staple cotton is as follows: Under the Strategic and Critical Materials Act, we have acquired a considerable supply of long-staple cotton. I do not know how much it is; it is a military secret, and the figures cannot be divulged; but the supply is so large that if it were used in determining the total supply of long-staple cotton, the result would be that we would have marketing quotas on long-staple cotton at all times and the

supply would further be so large that if the formula of the law were applied that there could be no quota. In other words, in the case of long-staple cotton, unless we pass this legislation, then we could not produce any long-staple cotton without subjecting the same to the penalties imposed by law upon growers who produce in excess of their marketing quotas. Long-staple cotton is produced in this country in only one State, Arizona. This amendment is a vital matter to the producers of long-staple cotton in that State. It has been carefully considered by the Committee on Agriculture, and I have been instructed to offer it as a committee amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to my distinguished friend from Minnesota.

Mr. AUGUST H. ANDRESEN. This amendment involves only long-staple cotton, and cotton is not involved in any other part of this bill.

Mr. HOPE. That is correct.

Mr. AUGUST H. ANDRESEN. So that when it comes to marketing quotas in the original bill without this amendment the application is only to wheat, and there is nothing in here that would determine any quotas or otherwise for cotton.

Mr. HOPE. That is true. There is nothing in the bill that applies to cotton as the term is used in the Agricultural Adjustment Act at all. The remainder of the bill applies solely to wheat. In the case of this particular section it applies solely to long-staple cotton.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLER of Nebraska, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, pursuant to House Resolution 273, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. HAYS of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HAYS of Ohio. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HAYS of Ohio moves to recommit the bill to the Committee on Agriculture with instructions to report the bill back forthwith with the following amendment: On page 5, line 3, strike out "66,000,000" and insert "62,000,000."

The SPEAKER. The question is on the motion to recommit.

Mr. HAYS of Ohio. Mr. Speaker, on that I ask for a division.

The House divided; and there were—ayes 34, noes 116.

Mr. HAYS of Ohio. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order a quorum is not present.

The SPEAKER. The Chair will count. Mr. AUGUST H. ANDRESEN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, the gentleman made his point of order after the Chair had announced that the motion had not prevailed.

The SPEAKER. The Chair is obliged to overrule the gentleman. The gentleman from Ohio raised the point of order at the proper time.

The Chair will count.

Mr. HAYS of Ohio. Mr. Speaker, I withdraw my point of order that a quorum is not present.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

AMEND SECTION 32 OF THE FIRE AND CASUALTY ACT

Mr. SIMPSON of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 35.

The Clerk read the resolution, as follows:

Resolved, That the action of the Speaker of the House of Representatives and the President of the Senate in signing the enrolled bill (S. 1839) to amend section 32 of the Fire and Casualty Act, so as to provide that an agent or solicitor may secure a license to solicit accident and health insurance in the District of Columbia under that act without taking the prescribed examination, if he is licensed under the Life Insurance Act, be, and the same is hereby, rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed to reenroll the bill with the following change, namely: In line 1 of the House engrossed amendment strike out the words "section 2 of such act" and insert in lieu thereof "section 3 of such act."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate concurrent resolution was concurred in, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON RULES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CORRECTION OF ROLL CALL

Mr. BATES. Mr. Speaker, on roll call No. 59 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE NEW SOVIET THREAT IS ECONOMIC

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. JAVITS] is recognized for 30 minutes.

Mr. JAVITS. Mr. Speaker, there appears to be a new orientation of Russian policy in the cold war. This is intended to concentrate heavily upon an economic and trade war. That this is the new line in the Soviet Union's cold war is confirmed by its own economic buildup, by its ruthless integration of the economies of the satellite countries with its own and by its recent offers of trade, particularly to the United Kingdom, Italy, France, West Germany, and Japan.

Under these circumstances the objective of the free world must be to integrate itself, first to enable it to resist the attractions of Communist bloc trade, and, second, to build up its strength economically to the maximum for the coming showdown in the economic cold war. Accordingly, an active policy of economic integration of the free world is vital. This means a renewed effort to facilitate trade; to reduce and eliminate barriers and obstructions to world trade; to increase overseas private investment and economic and technical assistance in order to develop new sources of wealth, particularly in the underdeveloped areas and to rehabilitate the plants and equipment of the industrialized nations. Rather than pulling in our programs for international cooperation, this is the moment for expansion. Yet, majority congressional opinion appears to be moving in exactly the opposite direction; hence the reason for this speech, that much congressional opinion on this subject needs to change in the security interests of the United States and of the free world. Such a change to a vigorous free world trade and economic-development drive should be the basis of the new foreign policy of the new administration.

Discontent has broken out violently in Czechoslovakia over the currency reform

83^d CONGRESS
1ST SESSION

H. R. 5451

IN THE SENATE OF THE UNITED STATES

JUNE 26 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 334 of the Agricultural Adjustment Act of
4 1938, as amended, is amended as follows:

5 (a) By inserting in subsection (a) after the words
6 “The national acreage allotment for wheat” the language
7 “, less a reserve of not to exceed one per centum thereof for
8 apportionment as provided in this subsection,”.

9 (b) By adding at the end of subsection (a) a new
10 sentence to read as follows: “The reserve acreage set aside

1 herein for apportionment by the Secretary shall be used
2 to make allotments to counties, in addition to the county
3 allotments made under subsection (b) of this section, on
4 the basis of the relative needs of counties for additional
5 allotment because of reclamation and other new areas
6 coming into the production of wheat during the ten cal-
7 endar years immediately preceding the calendar year in
8 which the national acreage allotment is proclaimed.

9 (c) By inserting in subsection (b) after the words
10 "The State acreage allotment for wheat" the language " , less
11 a reserve of not to exceed 3 per centum thereof for apportion-
12 ment as provided in subsection (c) of this section,".

13 (d) By inserting in the first sentence of subsection
14 (c) after the words "on the basis of" the language "past
15 acreage of wheat,".

16 (e) By striking out in the second sentence of subsec-
17 tion (c) the words "such county" and inserting in lieu
18 thereof the words "the State".

19 (f) By striking out in subsection (d) the figure
20 "1940" and inserting in lieu thereof the figure "1950".

21 SEC. 2. Section 335 (d) of the Agricultural Adjust-
22 ment Act of 1938, as amended, is amended by striking

1 out the words "two hundred" and inserting in lieu thereof
2 the figure "400".

3 SEC. 3. Public Law 74, Seventy-seventh Congress (55
4 Stat. 203), as amended, is amended as follows:

5 (a) By striking out in the second sentence of para-
6 graph (2) the language "shall be 50 per centum of the
7 basic rate of the loan on the commodity for cooperators
8 for such marketing year under section 302 of the Act
9 and this resolution." and inserting in lieu thereof the
10 language "on wheat shall be 45 per centum of the parity
11 price per bushel of wheat as of May 1 of the calendar
12 year in which the crop is harvested."

13 (b) By striking out in paragraph (7) the word "fif-
14 teen" wherever it appears therein and inserting in lieu
15 thereof the figure "25".

16 SEC. 4. Notwithstanding any other provision of law

17 (a) the national acreage allotment for the 1954 crop of
18 wheat shall not be less than sixty-six million acres; and

19 (b) the referendum with respect to the 1954 crop of wheat
20 may be held as late as August 15, 1953.

21 SEC. 5. Sections 1, 2, and 3 of this Act shall become
22 effective with respect to the 1954 and subsequent crops
23 of wheat.

1 SEC. 6. Section 301 of the Agricultural Adjustment Act
2 of 1938, as amended, is amended by adding at the end
3 thereof a new subsection “(d)” to read as follows:

4 “(d) In making any determination under this Act or
5 under the Agricultural Act of 1949 with respect to the
6 carryover of any agricultural commodity, the Secretary
7 shall exclude from such determination the stocks of any com-
8 modity acquired pursuant to, or under the authority of,
9 the Strategic and Critical Materials Stock Piling Act (60
10 Stat. 596).”

Passed the House of Representatives June 25, 1953.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

JUNE 26 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on
Agriculture and Forestry

of Virginia to the School Board of Mecklenburg County, Va. (Rept. No. 468).

By Mr. BUTLER of Nebraska, from the Committee on Interior and Insular Affairs, with an amendment:

H. R. 1528. A bill to authorize the addition of land to the Appomattox Court House National Historical Monument, Va., and for other purposes (Rept. No. 469).

By Mr. BUTLER of Nebraska, from the Committee on Interior and Insular Affairs, with amendments:

S. 630. A bill to authorize the conveyance for public-school purposes of certain Federal land in Gettysburg National Military Park, and for other purposes (Rept. No. 470).

By Mr. DWORSHAK, from the Committee on Interior and Insular Affairs:

S. 122. A bill directing the conveyance of certain property to the city of Rupert, Idaho; with amendments (Rept. No. 471).

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 5495. A bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; with amendments (Rept. No. 472).

BILL INTRODUCED

Mr. CORDON introduced a bill (S. 2225) relating to the administrative jurisdiction of certain public lands in the State of Oregon, and for other purposes, which was read twice by its title, and referred to the Committee on Interior and Insular Affairs.

CIVIL FUNCTIONS APPROPRIATIONS, 1954—AMENDMENT

Mr. KNOWLAND submitted an amendment intended to be proposed by him to the bill (H. R. 5376) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

CIVIL FUNCTIONS APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, it is the intention of the acting majority leader that tomorrow the Senate shall meet at 10 o'clock in the morning for consideration of the civil functions appropriation bill. In a few moments I shall submit a proposed unanimous-consent agreement, reading as follows:

Ordered, That during the further consideration of H. R. 5376, the Civil Functions Appropriation Act, 1954, no Senator shall speak longer than 15 minutes on any amendment, motion, or appeal, and that debate upon the bill be limited to 3 hours, to be equally divided and controlled by Mr. KNOWLAND and Mr. JOHNSON of Texas.

First, I move that the Senate proceed to the consideration of H. R. 5376, the civil functions appropriation bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 5376) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5376) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1954, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. KNOWLAND. I should like to propound the unanimous-consent request which I send to the desk. I understand the Senator from Washington reserves his right to object to it.

Mr. JACKSON. Mr. President, reserving the right to object, I understand a number of Senators in connection with the bill would like to make some speeches tomorrow in relation to the overall public power program. I understand that in almost every instance there will be involved the presentation of amendments. I have discussed the matter with the distinguished majority leader, and with the distinguished minority leader, and I understand that there will be ample time available to Senators desiring to speak in connection with the bill on the subject of public power.

Mr. KNOWLAND. Mr. President, I will say to the distinguished Senator from Washington that the civil functions appropriation bill was reported unanimously to the full committee, and that all Democratic and Republican Senators joined in reporting it to the full committee. It was reported by the full committee with practically the entire membership present. I know of no controversy with respect to it. I would be very hopeful that the bill could be taken up tomorrow at 10 o'clock, when the Senate convenes. The actual debate on the bill will not be prolonged. I am sure that I do not intend to use an hour and a half. I have had no requests for time on the bill. I am sure that we could adjust the situation and provide any reasonable time Senators might require.

Mr. JOHNSON of Texas. Mr. President, the minority leader has had no requests for time except from the Senator from Washington [Mr. JACKSON]. So far as I am concerned, the Senators to whom the Senator from Washington has referred can have the entire hour and a half. Furthermore, so long as they have the energy to prepare amendments, they can speak for 15 minutes on each amendment. I hope we will not have the situation tomorrow we have today, with more time than Senators.

Mr. JACKSON. Mr. President, I wish to assure the acting majority leader of my desire to cooperate with him in expediting the business of the Senate in order to conclude consideration of the necessary legislation, much of which ex-

pires prior to June 30, next Tuesday. I am sure he will be fair, and I know the minority leader will also be fair. Under the circumstances, I withdraw my reservation to object.

Mr. KNOWLAND. Mr. President, I thank the Senator.

The PRESIDING OFFICER. The Senator from California asks unanimous consent that, during the further consideration of H. R. 5376, the Civil Functions Appropriation Act, 1954, no Senator shall speak longer than 15 minutes on any amendment, motion, or appeal, and that debate upon the bill be limited to 3 hours, to be equally divided and controlled by the Senator from California [Mr. KNOWLAND] and by the Senator from Texas [Mr. JOHNSON]. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be vacated and further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDWARD KEATING

Mr. NEELY. Mr. President, biographies of ordinary men and women seldom appear except on churchyard tombstones, overshadowed by solemn hemlocks, murmuring pines, and weeping willow trees. The legends on these melancholy monuments—

As brief appendix wear
As Tom o'Shanter's luckless mare.

They are commonly called epitaphs. They are usually limited to the factual statement that on a certain date the underlying sleeper was born and that on another date he died—only this, and nothing more. But there are others who because of notable service to their community, their country, or the world, are eulogized for many years before they set out upon their "farewell journey to the promised land." These enjoy the comforting realization that storied urns and animated busts will be erected to commemorate their memory after they have passed into the vast and voiceless empire of the dead, and that their praises will be sung long after they have become—

Brothers to the insensible rock
And to the sluggish clod, which the rude swain
Turns with his share, and treads upon.

Of one of these I venture to speak today. He is a—

Pioneer soul who has blazed his path
Where highways never ran—
Who has lived by the side of the road
And loved and served his fellow man.

He is well known to the Members of this body. From him many Senators have received valuable support. Liberals throughout the country highly es-

teem him and dearly love him. His name is Edward Keating. Recently he voluntarily retired as the editor of "Labor," the railroad workers' matchless and inimitable weekly newspaper.

It was my privilege and pleasure to become acquainted with Mr. Keating as a fellow member of the House of Representatives 40 years ago in the early days of the 63d Congress. The following 6 years we happily spent together in Congress Hall Hotel:

When all the world was young, lad,
And all the trees were green;
And every goose a swain, lad,
And every lass a queen.

Since the day of our first meeting the friendship between us has been as ardent as that between Jonathan and David or that between Damon and Pythias. It has been as constant as the Northern Star.

In a log house in Kansas on the 9th day of July 1875, Mr. Keating first opened his eyes upon a world in which "man's inhumanity to man makes countless thousands mourn"—a universal affliction, to the alleviation of which, as we now know, the newcomer was destined to devote all but the early morning time of his life.

It is not recorded that his birth was signalized by the appearance of any new star, comet, or meteor, or that the heavens, in any other manner, blazed forth the glad tidings that an unusual babe had been born. So far as known, no generous leprechaun ever told young Ed where to find a gold mine. No amiable fairy ever waved a magic wand over his cradle. No learned Chiron, such as taught Achilles, ever helped him to acquire worldly wisdom.

In brief, Ed's birth and youth were similar to those of the average member of that innumerable throng which suggested the expression, "the short and simple annals of the poor."

When he was only 3 years old death, "the crowned phantom" that never slumbers nor sleeps, robbed him of his father. The bereaved mother was confronted with the heavy responsibility of providing care, comfort, and education for nine fatherless children, of whom Ed was the youngest. In worldly goods she was poor but in courage, faith, and hope she was "richer far than fancy ever feigned."

Suitable homes were soon found for the eight older children among relatives and friends. Then the energetic mother, after the manner of the Psalmist, lifted up her eyes unto the hills from whence cometh strength, and Colorado with its abundant hills, towering mountains, and snow-capped peaks beckoned her, and to Colorado she and the young child went. As a result of untiring maternal effort, Ed started through an excellent public school in Pueblo when he was 6 years old. By diligent application during the next 7 years he acquired a more thorough education than the average person acquires in a lifetime.

At the age of 14 he obtained employment as a copyholder in a Denver newspaper office, from which he soon rose to heights where faithful service was rewarded with fortune that rust could not corrupt and with fame that thieves could not break through and steal. Natural

aptitude, unusual efficiency, and never-failing devotion to duty combined to win for him rapid promotions. At the age of 27 he became the managing editor of the leading daily newspaper in the intermountain West, and the youngest of all such editors of first-class newspapers in the United States. The publishers of that unique catalog of national celebrities entitled "Who's Who in America" promptly included Keating's name in their list of immortals, where it has ever since remained.

He served as auditor of the city of Denver from 1899 to 1901; as a member of the Denver Charter Convention in 1903; and as president of the Colorado State Board of Land Commissioners from 1911 to 1913. He was president of the Denver Press Club from 1905 to 1907. In the latter year he became the president of the International League of Press Clubs.

He discharged the duties of the various offices, he held in such a thoroughly satisfactory manner that in 1912 the people elected him Congressman at large from Colorado. The immortal Woodrow Wilson convened the 63d Congress in extraordinary session on the 7th of April 1913, and on that day Congressman Keating began his brilliant congressional career of three successive terms. Immediately after taking his oath of office he entered upon the performance of his official duties with the vision of a prophet, the zeal of a crusader, and a mind as bold in promoting peace as Napoleon's was in fomenting war. He vigorously and constructively helped to enact some of the most important laws and to effectuate some of the most notable reforms ever recorded in the history of the Nation. He was not just another Congressman. During the entire period of his service in the House he was habitually outstanding among its most famous Members who, at that time, included such illustrious ones as Champ Clark, "Uncle Joe" Cannon, Alben W. Barkley, Oscar Underwood, James R. Mann, Cordell Hull, Carter Glass, John Nance Garner, and Sam Rayburn.

Keating became a member of the Labor Committee of the House and later chairman of the labor bloc of that body which was composed of Congressmen selected by the American Federation of Labor because of their demonstrated friendship for those who live by toil.

The following are typical illustrations of the many priceless services Keating rendered:

He sponsored and persuaded the House to adopt a resolution to investigate the Colorado coal strike, which raged from September 1913 till April 1915. Historically the miners lost their battle, but as a matter of fact before the strike ended practically every miner in southern Colorado had become a member of the United Mine Workers of America, and had thus obtained assurance of a higher standard of living and a greater reward for his hazardous labor than the miners of that region had ever before enjoyed.

Keating was the author of the first child-labor bill and of the first model minimum-wage bill for women and chil-

dren that the Congress ever translated into law.

He was the youngest but nevertheless one of the most active and useful members of the important commission which devoted 13 months of exacting toil to the burdensome task of classifying, for the first time, the whole vast army of Government employees.

At the urgent request of the chieftains of the various railroad brotherhoods, Congressman Keating piloted through the House the Adamson bill which established the 8-hour day for railroad workers from coast to coast.

During his 6 years of congressional service he demonstrated surpassing ability as an orator and a debater. His able and eloquent address entitled, "The Courage of Woodrow Wilson," delivered in the House of Representatives in March 1914, is one of the few congressional speeches included in Albert Mason Harris' well-known volume *Selected Orations*.

In the year 1919 fifteen standard railroad labor organizations established a national weekly newspaper in Washington which was christened *Labor*. Its particular purpose was to provide railroad employees, their families, and their friends the truthful and unbiased news of the world. Its general purpose was to protect the defenseless many against exploitation by the powerful, greedy few, and promote the welfare of all the law-abiding in the land. Mr. Keating was unanimously chosen to manage this important enterprise. He was, by natural ability, education, and experience, ideally qualified for the undertaking. What the Bennetts were to the New York Herald, what Greeley was to the New York Tribune and what Grady was to the Atlanta Constitution Keating has been to *Labor*.

On the day of its first publication in 1919, the paper had a deficit of \$35,000, and no subscribers. Largely as the result of Mr. Keating's 33 years of skillful management and able editorship, *Labor* now owns its own modern plant and office building. It has almost a million paying subscribers. It has a \$5,000 cash reserve. It does not owe a cent.

In view of the foregoing, would it not be well for the statesmen who are now frantically but vainly striving to balance the Nation's budget to appeal to Mr. Keating and the railroad brotherhoods to help solve this important governmental problem?

To Ed Keating's everlasting fame, *Labor* is today the most widely read and the most influential labor publication in the Western Hemisphere. Its habitual veracity, its lofty ethical standards, its ceaseless crusade for the right, and its constant resistance to the wrong have endeared it to all the reading, thinking progressives in the Nation. For three decades *Labor* has uniformly, nonpartisanly, and effectually helped to elect liberal candidates to membership in the United States Senate and House of Representatives. It is one of the very few publications that has fully justified Henry Ward Beecher's assertion that "newspapers are the schoolmasters of the common people" and "our national glory." *Labor's* rapid progress from its

SENATE

12. DROUGHT RELIEF. The Agriculture and Forestry Committee ordered reported (but did not actually report) with amendments S. 2267, to provide emergency aid to farmers and stockmen in the drought areas. The "Daily Digest" states, "The principal amendment approved would strike out emergency assistance in furnishing feed and seed, as provided in the bill, on the basis that such assistance may be given under Public Law 875 of the 81st Congress" (p. D662).
13. WHEAT MARKETING QUOTAS. An Agriculture and Forestry Subcommittee ordered reported to the full committee S. 2099, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938 (p. D662).
14. FOREIGN AID. Senator Humphrey urged the conferees on the foreign aid bill to find "a means of utilizing the surplus agricultural commodities and the abundance of American farm production," and inserted a Washington Evening Star editorial on this subject (pp. 8406-8).
15. COMMITTEE ASSIGNMENTS. Sen. Johnson, Tex., was excused from further service as a member of the Government Operations Committee; and Sen. McClellan was assigned to the Judiciary Committee "to fill an existing vacancy thereon" (p. 8340).
16. TREATIES. Received a certified copy of an International Convention To Facilitate Importation of Commercial Samples and Advertising Material, and the State Department Secretary's report thereon (Exec. Q. 83rd Cong.); to Foreign Relations Committee (p. 8408).
17. TRANSPORTATION. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) without amendment S. 281, to extend power to the ICC to authorize discontinuance of certain intrastate railroad services; and with amendments S. 539, to authorize the ICC to make mandatory the installation of certain railroad communications systems, and H. R. 2236, to establish a Commission on Area Problems of the Greater Washington Metropolitan Area (p. D663).
18. FOREIGN TRADE. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) an original concurrent resolution, in lieu of S. 1962, expressing the sense of Congress that export containers be marked with the words "United States of America" (p. D663).
19. ELECTRIFICATION. Received resolutions from the American Public Power Ass'n. and the Ore. State Federation of Labor favoring redevelopment of Niagara Falls power by "appropriate public agencies"; and construction of the Hells Canyon dam, respectively (pp. 8341, 8342).
20. NATURAL RESOURCES; FORESTRY. Received Ore. State Federation of Labor resolutions commending "Sen. Morse and his colleagues in their efforts to safeguard and develop our natural resources...for all the people..."; and favoring a deduction of \$200 yearly for income tax purposes for fire fighters for dual food expenses while fighting fires (p. 8342).
State
21. PERSONNEL. Received Ore. Federation of Labor resolutions opposing legislative riders to appropriation bills which injure the rights and privileges of Federal employees; favoring a salary increase for Federal employees; urging Congress

to support the program of the A. F. of L. Government Employees' Council in Washington, D. C.; and opposing annual-leave legislation detrimental to Federal workers (pp. 8342, 8343).

22. HOLIDAY. Received an Ore. State Federation of Labor resolution favoring S. 805 making the first Tues. after the first Mon. in Nov. in every even-numbered year a legal holiday (pp. 8342-3).

23. APPROPRIATIONS. Passed with amendments H. R. 5246, the Labor-HEW appropriation bill for 1954 (pp. 8355-404). Sens. Thyne, Knowland, Bridges, Young, Chavez, Russell, and Hill were appointed as conferees (p. 8404).

Agreed to the following amendments:

By the committee, all its amendments (some with amendments as indicated below) (pp. 8355-7).

By Sen. Morse, to a committee amendment, increasing by \$200,000 funds for the Food and Drug Administration (p. 8369).

By Sen. Thyne, increasing by \$426,000 funds for the Office of Education (pp. 8369-70).

By Sen. Aiken, increasing by \$170,000 funds for the Mexican farm-labor program (pp. 8395-7).

By Sen. Potter, increasing by \$1,150,000 funds for Office of Vocational Rehabilitation (pp. 8374-7).

By Sen. Hayden, to a committee amendment, increasing by \$210,000 funds for the Bureau of Employment Security (pp. 8359-60).

24. CONSUMER INTERESTS. Sen. Gillette inserted his statement explaining seven resolutions he introduced recently, S. Res. 128 through 134, which would provide for investigations by 7 different standing committees of the effect of major legislation upon ultimate consumer interests (pp. 8351-2).

25. PERSONNEL ALLOWANCES. Sec. 640 of H. R. 5969, the defense appropriation bill for 1954, provides as follows: "No part of the funds appropriated in this or any other Act shall be available for the payment to any United States citizen resident in one of its Territories or possessions, of any station, subsistence, quarters, or other foreign duty allowances over and above the authorized pay and allowances for comparable grade or rating in the continental United States unless such person is serving outside the Territory or possession in which he is resident."

BILLS INTRODUCED

26. WATER CONSERVATION. H. R. 6112, by Rep. Curtis, Neb., to facilitate the development and construction of water conservation facilities by States and municipalities; to Interstate and Foreign Commerce Committee (p. 8338).

27. DISASTER RELIEF. H. R. 6129, by Rep. Philbin, creating a Government-owned corporation to insure against certain disasters; to Banking and Currency Committee (p. 8339).

H. R. 6139, by Rep. McCormack, to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government; to Public Works Committee (p. 8339).

28. GRAIN STORAGE. H. R. 6137, by Rep. Martin, Ia., and H. R. 6138, by Rep. Curtis, Neb., to provide tax incentive for the creation of additional grain storage facilities; to Ways and Means Committee (p. 8339).

Daily Digest

HIGHLIGHTS

Senate passed Labor-Health, Education, and Welfare appropriations, and bill loaning vessels to Italy and France.

House passed 97 miscellaneous measures.

Senate Committees on Agriculture, Interstate Commerce, and Post Office and Civil Service voted to report bill on drought relief, and numerous miscellaneous measures and nominations.

Bills providing school facility and construction assistance cleared for House debate by Rules Committee.

Senate

Chamber Action

Routine Proceedings, pages 8341-8355

Bills Introduced: 20 bills and 2 resolutions were introduced, as follows: S. 2297 to S. 2316; and S. Res. 135 and 136.

Pages 8344, 8350

Bills Reported: Reports were made as follows:

S. 2314, to prevent transmission of certain gambling information in interstate commerce by communications facilities (S. Rept. 500); and

S. Res. 135, providing an additional \$150,000 to continue investigations now being made by Committee on Interstate and Foreign Commerce (interstate crime, merchant marine subsidy program, and other matters) and extending authority therefor through July 1, 1954 (no written report)—referred to Committee on Rules and Administration.

Page 8344

Committee Assignments: Senator Hoey was excused from further service on Committee on Government Operations, and Senator McClellan was assigned to Committee on the Judiciary.

Page 8340

Labor-HEW Appropriations: Senate passed with amendments H. R. 5246, Labor-Health, Education, and Welfare appropriations for 1954, after taking the following actions on amendments:

Adopted: All committee amendments (some with amendments as indicated below); Hayden amendment (to committee amendment) increasing by \$210,000 funds for Bureau of Employment Security; Morse amendment (to committee amendment) increasing by \$200,000 funds for Food and Drug Administration; Smith (New Jersey) amendment increasing by \$198,000 funds for Office of Secretary, Department of Labor; Cooper amendment increasing by \$250,000 funds for

Office of Solicitor, Department of Labor; Thye amendment (on behalf of committee) providing that land lying within Boulder Canyon project reservation shall be considered Federal property for school purposes; Humphrey amendment to increase funds for Bureau of Labor Standards by \$150,000; Aiken amendment (to committee amendment) increasing by \$100,000 funds for salaries and expenses, Children's Bureau; Smith (New Jersey) amendment increasing by \$250,000 funds for NLRB; Bush amendment earmarking \$5 million rather than \$10 million of funds for unemployment compensation grants to States for meeting increased costs resulting from State law changes; Thye amendment increasing by \$426,000 funds for salaries and expenses, Office of Education; Thye amendment increasing by \$151,000 funds for salaries and expenses, Office of the Secretary, Department of Health, Education, and Welfare; on division vote, Malone amendment increasing by \$119,000 funds for Veterans Employment Service; Potter amendment increasing by \$1,150,000 funds for Office of Vocational Rehabilitation; by 43 yeas to 41 nays, Hill amendment (to committee amendment) increasing by \$15 million funds for hospital construction, PHS (motion to reconsider this vote was tabled); on division vote, Aiken amendment increasing by \$170,000 funds for salaries and expenses, Mexican farm labor program; by 39 yeas to 38 nays, Langer amendment increasing by \$1,300,000 funds for grants-in-aid for TB control, PHS; modified Gore amendment increasing by \$1 million funds for hospitals and medical care, PHS; and several Thye amendments of a technical, clarifying nature; and

Rejected: On division vote, Murray amendment increasing by \$500,000 funds for NLRB; on division vote, Douglas amendment (to committee amendment) increasing by \$750,000 funds for salaries and expenses,

Wage and Hour Division; on division vote; Payne amendment (to committee amendment) increasing by \$500,000 funds for salaries and expenses, Wage and Hour Division.

Senate requested conference on the bill and appointed as conferees Senators Thye, Knowland, Bridges, Young, Chavez, Russell, and Hill. Pages 8355-8404

Drought Relief: Authority was granted to Committee on Agriculture and Forestry to report, following recess of Senate today, S. 2267, to provide for additional emergency assistance to farmers and stockmen. Page 8404

Vessels to Italy and France: Senate passed without amendment S. 2277, authorizing loan of two submarines to Italy, and an aircraft carrier to France. Pages 8404-8405

Canal Zone Employees: Senate made its unfinished business S. 2038, authorizing cash relief for certain employees of the Canal Zone Government. Pages 8405-8406

Treaty Received: International Convention To Facilitate Importation of Commercial Samples and Advertising Material, dated at Geneva November 7, 1952, was received (Exec. Q, 83d Cong., 1st sess.)—referred to Committee on Foreign Relations. Page 8408

Nominations: The nominations of Eldon C. Upton, Jr., of Louisiana, to be a member of the Federal Maritime Board, and of Guy Farmer, of D. C., to be a member of the NLRB, were received, along with 14 Navy nominations. Page 8408

Program for Wednesday: Senate recessed at 7:26 p. m. until noon Wednesday, July 8, when it will consider S. 2038, relief for certain employees of the Canal Zone, to be followed by S. Res. 115, increasing to \$50,000 limit of expenditures for Select Committee on Small Business, S. 16, immunity of congressional witnesses, S. 1396, broadcasting of baseball games, and S. 2239, to amend Atomic Energy Act relative to long-term electric-utility contracts. S. 2267, emergency assistance to farmers and stockmen, will be considered when it is reported.

Committee Meetings

(Committees not listed did not meet)

AGRICULTURAL LOANS

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported with amendments S. 2267, to provide for additional emergency assistance to farmers and stockmen. The principal amendment approved would strike out emergency assistance in furnishing feed and seed, as provided in the bill, on the basis that such assistance may be given under Public Law 875 of the 81st Congress.

WHEAT

Committee on Agriculture and Forestry: Subcommittee met in executive session for consideration of S. 2099, to amend the wheat marketing quota provisions of the

Agricultural Adjustment Act of 1938, and ordered the bill favorably reported to the full committee. Full committee will meet tomorrow for executive consideration of this bill.

APPROPRIATIONS—DEFENSE DEPARTMENT

Committee on Appropriations: Subcommittee resumed its hearings on H. R. 5969, Defense appropriations for 1954, with testimony from the following representatives of the Defense Department in favor of restoration of funds cut from the House bill:

Adm. William M. Fechteler, Chief of Naval Operations; Vice Adm. James L. Holloway, Chief of Naval Personnel; Gen. Lemuel C. Shepherd, Jr., Commandant, U. S. Marine Corps; and Rear Adm. Edward A. Solomons, Deputy Comptroller, Navy;

Lyle S. Garlock, Deputy Comptroller of the Budget, Defense Department; and

H. L. Pearson, Deputy Under Secretary of the Army, and Maj. Gen. Francis W. Farrell, Deputy Assistant Chief of Staff, G-3, Army.

Hearings continue tomorrow.

INVESTIGATIONS—OVERSEAS INFORMATION CENTERS

Committee on Government Operations: Permanent Subcommittee on Investigations continued its investigations on overseas information centers, and had as its witness Arnaud d'Usseau, a New York playwright, who refused to say whether he is a Communist or was a Communist when he wrote *Deep Are the Roots*, and Mrs. Paul Robeson, of New York, who stated that she is a loyal American, but refused, on grounds of possible self-incrimination, to say whether she is or ever was a Communist. Hearings continue July 9.

HAWAII STATEHOOD

Committee on Interior and Insular Affairs: Committee continued its hearings on S. 49, to grant statehood to Hawaii, with testimony in opposition to the bill from Representative Smith of Virginia. Also testifying was Richard English, a writer from Beverly Hills, Calif., whose testimony was with regard to communism in the Territory. Hearings continue July 9.

TUNGSTEN ORES

Committee on Interior and Insular Affairs: Committee met in executive session for the consideration of H. R. 2824, to encourage the discovery, development, and production of tungsten ores and concentrates, and referred the bill to its Subcommittee on Minerals and Fuels for further consideration.

MINING CLAIMS

Committee on Interior and Insular Affairs: Subcommittee on Minerals and Fuels held hearings on S. 1397, to clarify the status of mining claims in area held under an oil and gas prospecting permit or lease, and to encourage the exploration and development of fissionable

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 9, 1953.
For actions of July 8, 1953
83rd-1st, No. 125

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HIGHLIGHTS: Senate debated drought-relief bill. Senate committee reported International Wheat Agreement and measure to carry it out. House Rules Committee cleared drought-relief bill. House committee reported bill designating 50th anniversary of farm demonstration work. House passed bill for education aid in Federal areas.

SENATE

- DROUGHT RELIEF.** Began debate on S. 2267, the drought-relief bill, which had been reported with amendments by the Agriculture and Forestry Committee earlier in the day (S. Rept. 501)(pp. 8409, 8429-31, 8446-64). Agreed to all committee amendments except that one of the amendments, relating to selection of the review committees, was modified (pp. 8454-5). Sen. Kerr presented an amendment to require price supports on beef cattle at 90% of parity (pp. 8455-63). Sen. Griswold offered an amendment to this amendment, to direct purchase of brood cows at 10 cents a pound or more (pp. 8463-4).
- WHEAT.** The Foreign Relations Committee reported without amendment S. J. Res. 97, to carry out the new International Wheat Agreement (p. 8410).
The Committee also reported the Agreement without reservation (p. 8410).
The "Daily Digest" states that the Agriculture and Forestry Committee deferred action on H. R. 5451, regarding wheat marketing quotas, until July 10, when it will "consider the July 1 crop report prior to recommending a minimum national acreage allotment of wheat for 1954 (p. D670).
Sen. Anderson inserted a Washington Post editorial analyzing the wheat-surplus problem (pp. 8465-6).
The Rules and Administration Committee reported without amendment S. Res. 127, authorizing the Agriculture and Forestry Committee to investigate imports of unfit wheat from Canada (S. Rept. 506)(p. 8412).
- APPROPRIATIONS.** The Appropriations Committee reported with amendments H. R. 5690, the second independent offices appropriation bill, which includes funds for Veterans' Administration, Tennessee Valley Authority, and the Selective Service

System (S. Rept. 502)(p. 8412).

4. **TIMBER STATISTICS.** Received from the Commerce Department a proposed bill to repeal the act authorizing the Census Bureau to collect and publish statistics of redcedar shingles; to Post Office and Civil Service Committee (p. 8411).
5. **FLOOD DAMAGE.** Sen. Humphrey inserted an Army letter describing flood damage in Minn. recently (pp. 8422-3).
6. **RURAL-TELEPHONE LOANS.** Sen. Humphrey commended the rural-telephone loans program and inserted USDA questions and answers regarding it (pp. 8423-5).
7. **PERSONNEL.** Sen. Williams stated that dual benefits are accumulated under the Social Security Act and the Civil Service Retirement Act, objected to such procedure, and inserted a Civil Service Commission letter concurring with his objective (pp. 8426-9).
8. **EXPENDITURES.** Sen. Flanders discussed the budget deficit, defended the rise in U. S. bond interest rates and continuation of the excess profits tax, and urged reduction of defense expenditures to balance the budget (pp. 8440-2).
9. **COMMITTEE ASSIGNMENT.** Sen. Hoyer, instead of Sen. Johnson of Tex., was excused from the Government Operations Committee (see Digest 124).

HOUSE

10. **DROUGHT RELIEF.** The Rules Committee reported a resolution for consideration of H. R. 6054, to authorize emergency loans and supplies for drought relief (p. 8507).
11. **EXTENSION WORK.** The Judiciary Committee reported without amendment H. J. Res. 161, requesting the President to designate 1953 as the 50th anniversary year of farm demonstration work (H. Rept. 740)(p. 8507).
12. **ELECTRIFICATION.** The Rules Committee reported a resolution for consideration of H. R. 4351, relating to Niagara power development (p. 8507).
13. **EDUCATION.** Passed without amendment H. R. 6049, to provide a temporary program of assistance in school construction in federally affected areas (pp. 8486-504).
14. **FOREIGN TRADE.** The Ways and Means Committee ordered reported (but did not actually report) H. R. 5894, to amend the Trade Agreements Act to provide protection for American farmers, etc., and H. R. 5877, to simplify customs procedures (p. 8675).
15. **TAXATION.** The Ways and Means Committee reported without amendment H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (H. Rept. 743)(p. 8508).
16. **PERSONNEL.** S. 2324, by Sen. Williams, to prohibit dual coverage under the Social Security Act and the Civil Service Retirement Act; to Finance Committee (p. 8414).
17. **FORESTRY.** S. 2325, by Sen. Anderson, to provide for conveyance of certain lands in the Santa Fe National Forest, N. Mex.; to Agriculture and Forestry Committee (p. 8414).
18. **LEGISLATIVE REPORTS.** H. R. 6160, by Rep. Whitten, to provide a staff to make reports on proposed legislation and to analyze legislative reports from executive

Daily Digest

HIGHLIGHTS

Senate began consideration of drought relief bill, and adopted four routine resolutions involving Senate expenditures.

House passed bills on school construction assistance and unemployment insurance.

Senate Appropriations Committee approved second independent offices appropriations bill, and Banking Committee approved bill providing for sale of Government-owned rubber plants.

Six-month extension of excess-profits-tax law approved by House committee.

Senate

Chamber Action

Routine Proceedings, pages 8410-8425

Bills Introduced: 11 bills and 3 resolutions were introduced, as follows: S. 2317 to S. 2327; S. J. Res. 97; S. Con. Res. 39; and S. Res. 137.

Pages 8413-8415

Bills Reported: Reports were made as follows:

S. 2267, to provide for additional emergency assistance to farmers and stockmen (reported after recess of Senate July 7) (S. Rept. 501);

H. R. 5690, second independent offices appropriations for 1954, with amendments (S. Rept. 502);

H. R. 5302, to provide for an additional Assistant Postmaster General (S. Rept. 503);

H. R. 2236, to establish a Commission on Area Problems of the Greater Washington Metropolitan Area (S. Rept. 504);

H. R. 4091, to amend the Civil Service Retirement Act of 1930 so as to make the exclusion from such act of temporary employees of Congress inapplicable to such employees who are appointed at an annual rate of salary (S. Rept. 505);

S. Res. 127, providing \$15,000 for Committee on Agriculture and Forestry to continue the investigation of Canadian wheat imported as unfit for human consumption (S. Rept. 506);

H. R. 4557, to permit construction of radio stations, and granting authority to the FCC to waive the requirement of a construction permit (S. Rept. 507);

H. R. 4558, relating to the time within which the FCC must act on protests filed thereunder (S. Rept. 508);

H. R. 4559, relating to offenses or penalties under the Federal Communications Act (S. Rept. 509);

S. Res. 137, increasing by \$160,000 the limit of expenditures under S. Res. 106 of the 83d Congress by the

Committee on Rules and Administration (no written report);

S. Res. 124, to pay certain funeral expenses of the late Senator Smith of North Carolina, with amendment (no written report);

S. Res. 123, authorizing additional expenditures of \$10,000 by Committee on Interior and Insular Affairs during 83d Congress (no written report);

S. Res. 125, authorizing additional expenditures of \$10,000 by Committee on Foreign Relations during 83d Congress (no written report); and

S. J. Res. 97, amendment of International Wheat Agreement Act of 1944 (see Exec. Rept. No. 4).

Pages 8409-8410, 8412

Bills Referred: 64 House-passed bills and 1 House-passed concurrent resolution were referred to appropriate committees.

Pages 8415-8416

Bills Re-referred: Committee on Banking and Currency was discharged from further consideration of S. 1619 and S. 1620, to encourage discovery, development, and production of tungsten ores and concentrates in the U. S., its Territories and possessions, and the bills were re-referred to Committee on Interior and Insular Affairs.

Page 8415

Bill Placed on Calendar: H. R. 4905, to amend the Atomic Energy Act of 1946, was ordered to be placed on calendar.

Page 8416

Canal Zone Employees: S. 2038, authorizing cash relief for certain employees of the Canal Zone Government, after brief debate, was by unanimous consent referred to Committee on Post Office and Civil Service.

Pages 8425-8426

Small Business Committee Expenditures: S. Res. 115, increasing to \$50,000 limitation of expenditures of Select Committee on Small Business, was adopted, after committee amendment was agreed to. Pages 8431-8433

House Sergeant at Arms: H. J. Res. 292, authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives at his present salary, was adopted, clearing the bill for the President. Pages 8443-8445

Baseball: Under unanimous-consent agreement, Senate debated S. 1396, to authorize the adoption of certain rules with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, but upon demand for regular order, the bill returned to its place on the calendar. Pages 8433, 8443

Routine Resolutions Adopted: The following three routine resolutions were adopted: S. Res. 123, authorizing additional expenditures of \$10,000 by Committee on Interior and Insular Affairs during 83d Congress; S. Res. 124, to pay certain funeral expenses of the late Senator Smith of North Carolina, with committee amendment; and S. Res. 125, authorizing additional expenditures of \$10,000 by Committee on Foreign Relations during 83d Congress. Page 8413

Drought Relief: Senate considered S. 2267, to provide for additional emergency assistance to farmers and stockmen, adopting all committee amendments (one with a clarifying amendment).

Pending at recess was Griswold amendment proposing methods of reductions in number of cattle to establish economic balance between beef supply and demand, as a substitute for Kerr amendment authorizing Secretary of Agriculture to institute price support to beef producers at 90 percent of parity. Pages 8429-8431, 8446-8464

Texas Water Supply: A study prepared by Bureau of Reclamation, Department of the Interior, entitled "Water Supply and the Texas Economy" was ordered to be printed as a Senate document. Page 8416

Treaty Reported: Agreement revising and renewing International Wheat Agreement, signed at Washington April 13-27, 1953, by U. S. and governments of 44 other countries (Exec. H, 83d Cong., 1st sess.) (Exec. Rept. No. 4). Page 8410

Confirmations: 25 civilian nominations were confirmed, including that of Owen Clarke, of Washington, to be an Interstate Commerce Commissioner. Pages 8468-8469

Nominations: 1 civilian and 669 Army nominations were received. Pages 8466-8468

Program for Thursday: Senate recessed at 6:56 p. m. until noon Thursday, July 9, when it will continue on S. 2267, emergency assistance to farmers and stockmen,

to be followed by S. 16, immunity for congressional witnesses, and a series of four executive agreements on German debt settlement.

Committee Meetings

(Committees not listed did not meet)

WHEAT

Committee on Agriculture and Forestry: Committee met in executive session for the consideration of H. R. 5451, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, but deferred any action thereon until Friday, July 10, at which time it will met to consider the July 1 crop report prior to recommending a minimum national acreage allotment of wheat for 1954.

APPROPRIATIONS—SECOND INDEPENDENT OFFICES

Committee on Appropriations: Committee completed marking up H. R. 5690, second independent offices appropriations for 1954, and ordered the bill favorably reported with amendments. As approved, the bill would provide for a total of \$5,238,002,664, a decrease of \$46,367,000 from the House-passed figure of \$5,284,369,664.

APPROPRIATIONS—AIR FORCE

Committee on Appropriations: Subcommittee continued its executive hearings on H. R. 5969, Defense appropriations for 1954, with testimony from the following Air Force officials, accompanied by their associates, all requesting restoration of funds cut in the House-passed version of the bill: Secretary Harold E. Talbott; Under Secretary James H. Douglas; Assistant Secretary H. Lee White; Gen. N. F. Twining, Chief of Staff; Lt. Gen. E. E. Partridge, Deputy Chief of Staff, Operations; and Maj. Gen. M. J. Asensio, Director of Budget. Hearings continue tomorrow.

MILITARY REAL ESTATE PROJECTS

Committee on Armed Services: Subcommittee on Real Estate and Military Construction approved the following projects:

Air Force Acquisition No. 60, National Tea Co., Chicago;

Air Force Acquisition No. 135, Webb Air Force Base, Tex.;

Air Force Acquisition No. 143, Los Angeles County, Calif.;

Navy Acquisition No. 81, San Diego, Calif.;

Navy Acquisition No. 84, San Diego, Calif.;

Navy Acquisition No. 90, Naval Supply Depot, San Diego, Calif.;

Navy Acquisition No. 91, Cape May, N. J.; and

Air Force Disposal No. 2, Tyndall Air Force Base, Fla. (Red Fish Point).

S. 2099

IN THE SENATE OF THE UNITED STATES

JULY 9 (legislative day, JULY 6), 1953

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. KERR and Mr. MONRONEY to the bill (S. 2099) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz: On page 4, after line 24, insert the following:

- 1 (c) By inserting in paragraph (7), immediately after
- 2 the first sentence thereof, the following: "A farm marketing
- 3 quota on wheat shall not be applicable during the marketing
- 4 year beginning in 1954 to any farm located within any area
- 5 in which there has occurred during the calendar year 1953 a
- 6 major disaster as determined by the President under section
- 7 2 (a) of the Act entitled 'An Act to authorize Federal
- 8 assistance to States and local governments in major disasters,
- 9 and for other purposes', approved September 30, 1950."

AMENDMENT

Intended to be proposed by Mr. KERR and Mr. MONROE to the bill (S. 2099) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

JULY 9 (legislative day, JULY 6), 1953

Ordered to lie on the table and to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 13, 1953
For actions of July 10 and 11, 1953
83rd-1st, Nos. 127 and 128

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HIGHLIGHTS: House received conference reports on drought-relief and mutual security bills. House Rules Committee cleared FCA-reorganization and customs-simplification bills. House passed bill authorizing surplus-property use for disaster relief. House passed excess-profits tax bill. House committee reported supplemental appropriation bill. Senate passed second independent offices appropriation bill. Senate agreed to investigation of unfit-wheat imports. Senate committee reported wheat-quotas bill. Senate leader announced wheat-agreement debate for today.

SENATE - July 10

APPROPRIATIONS. Passed with amendments H. R. 5690, the second independent offices appropriation bill for 1954, which includes funds for the Tennessee Valley Authority, Veterans' Administration, and Selective Service System (pp. 8742-84). Senate conferees were appointed (p. 8784). Agreed to a committee amendment "to clarify the proviso that the cutting off of the 4 percent gratuity on loans to veterans for the purchase or construction of homes, farms and business property by September 1, 1953, would not apply to loans previously made." Agreed to a committee provision that under any contract between a State or its subdivision and the Veterans' Administration for on-farm training, etc., the State or subdivision shall not be liable for disallowed subsistence allowances unless the State or subdivision shared in the blame. Agreed to a modified Cooper amendment to increase funds by \$1,350,000 for resource development by TVA. Rejected a Kefauver amendment increasing TVA by \$30,000,000. The committee report states the following regarding TVA: "The committee directs the Authority by the end of the fiscal year 1954 to turn over to Federal, State, or local governments or public or private agencies the responsibility for continuing their respective parts of the resource development program."

2. **WHEAT.** The Agriculture and Forestry Committee reported with amendments H. R. 5451, to amend the wheat marketing quota law (S. Rept. 520)(p. 8730). The "Daily Digest" states: "The major amendment approved by the committee would decrease from 66 to 61 million acres the minimum 1954 wheat acreage allotment" (p. D684).

This bill was made the unfinished business (p. 8792).

Agreed, without amendment, to S. Res. 127, to authorize the Agriculture and Forestry Committee to investigate importation of unfit wheat from Canada (p. 8736).

Sen. Knowland announced that it is intended to debate the International Wheat Agreement today (p. 8749).

Foreign

3. FOREIGN TRADE. The Interstate and Commerce Committee reported without amendment S. Con. Res. 40, favoring the placing of the inscription "United States of America" on containers of American-made goods for export (S. Rept. 514)(p.8733).

HOUSE - July 10

4. DROUGHT RELIEF. Received the conference report on H. R. 6054, the drought-relief bill (H. Rept. 769)(pp. 8703-4). The conference substitute in general follows the provisions of the House version. The following were among the actions of the conferees: Inserted "established" before "farmers and stockmen". Struck out the limitation that local loan committees must be appointed from local financing institutions and livestock operators. Adopted the House provision for emergency assistance in furnishing feed and seed except that the specific authorization to waive payment was eliminated. Restored the authority for the Secretary to use any part of the Department in carrying out the bill. Restored the Senate provision on security for loans.
5. FOREIGN AID. Received the conference report on H. R. 5710, to extend and amend the Mutual Security Act (H. Rept. 770)(pp. 8720-6). The conferees agreed upon an authorization of \$5,157,232,500, compared with a House figure of \$4,998,732,500 and a Senate figure of \$5,318,732,500. Agreed to a modified version on use of surplus agricultural commodities requiring that, of the funds authorized, not less than \$100,000,000 and not more than \$250,000,000 "shall be used directly or indirectly, to finance the purchase of surplus agricultural commodities." (The House conferees' statement says the provision for "indirect" financing "is to permit reimbursement of the Commodity Credit Corporation for commodities supplied from its stocks.") Under the modified provision, sale of agricultural surpluses for local currencies is authorized, and such currencies are to be kept in a special U. S. account and may be utilized for the purposes set forth in the legislation without appropriation by Congress; local currencies so acquired may be spent only for the purposes of the Mutual Security Act; and special precautions are to be taken to prevent disposing of surpluses in a manner which would displace normal market arrangements and to insure that maximum use will be made of private trade channels.
6. FCA REORGANIZATION; FOREIGN TRADE; FOOD INSPECTION. The Rules Committee reported resolutions providing for the consideration of H. R. 4353, the FCA reorganization bill; H. R. 5877, the customs-simplification bill; and H. R. 5740, to amend the Federal Food, Drug, and Cosmetic Act, providing for certain authority for factory inspection (p. 8727).
7. RESEARCH. Received from this Department a proposed bill to amend the Bankhead-Jones Act so as to broaden the authority to carry on research under contract; to Agriculture Committee (p. 8727). The Senate received this proposed legislation on July 11; to Agriculture and Forestry Committee (p. 8794).
8. TAXATION. Passed without amendment, 325-77, H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (pp. 8665-701).

WHEAT MARKETING QUOTAS

JULY 10 (legislative day, JULY 6), 1953.—Ordered to be printed

Mr. AIKEN, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H. R. 5451]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with amendments.

GENERAL STATEMENT

On June 30, the Secretary of Agriculture proclaimed marketing quotas for the 1954 crop of wheat, the first wheat crop for which marketing quotas have been effective since 1942. During the intervening years since 1942 farmers have expanded their production at the request of the Government, new areas have come into production, and the passage of time and new laws have made certain provisions of the wheat marketing quota law obsolete or ineffective. These and other factors make some revision of the quota law imperative at this time. H. R. 5451 is designed to accomplish this necessary revision and to provide for marketing quotas that will be fair and workable for 1954 and subsequent crops.

PROVISIONS OF THE BILL

H. R. 5451, with the committee amendments, would make the following changes in the marketing quota provisions applicable to wheat:

(1) It would provide a national acreage allotment reserve for counties in which new areas have come into production. Allotments to States and counties are based on their previous 10-year seeded acreage. Counties which contain large areas first seeded to wheat

within the latter part of this period would consequently receive very low allotments in relation to their currently seeded acreage, and both old and new producers in those counties would suffer drastic cuts in acreage if the relief provided by the bill were not accorded them. The bill provides that not to exceed 1 percent of the Nation's allotment may be reserved to be allotted to such counties on the basis of need.

(2) It would place reserves for new farms on a State basis instead of a county basis. County reserves are frequently either too small to provide adequate relief, or larger than required. State reserves would provide more adequate and equitable relief.

(3) It would give statutory recognition to the use of past acreage of wheat as a factor in making farm allotments. This constitutes no change from present practice.

(4) It would bring the Barden amendment (sec. 335 (d) of the Agricultural Adjustment Act of 1938) relating to farms acquired for national-defense purposes up to date by making it applicable only to farms acquired in 1950 or thereafter. Owners of farms acquired by the Government prior to 1950 have either received the benefit of the Barden amendment or built up an adequate wheat-producing history.

(5) It would provide for effective marketing penalties, and repeal obsolete provisions. The 15-cents-a-bushel penalty provided for by section 339 of the Agricultural Adjustment Act of 1938 was superseded by paragraph (2) of Public Law 74, 77th Congress, which provided for a marketing penalty equal to 50 percent of the loan rate under section 302 of the Agricultural Adjustment Act of 1938. Section 302 was repealed by the Agricultural Act of 1949, leaving the matter of marketing penalties in a somewhat ambiguous position. S. 3510 was passed by the Senate in the 81st Congress to correct this situation in a manner similar to that provided by the bill, but was not passed by the House. The bill would repeal section 339 and amend Public Law 74 to provide for a marketing penalty for wheat equal to 45 percent of the parity price. The provision now contained in paragraph (2) for marketing penalties for corn is subject to the same ambiguity as the wheat provision. The corn provision would be stricken out by the bill, but determination of the appropriate penalty for corn will be left to such later legislation as may relate to corn-marketing quotas.

(6) It would provide for an increased minimum acreage allotment for the 1954 crop in order to permit a more gradual adjustment in acreage. The law at present prescribes a minimum national allotment of 55 million acres; and it appears that, in the absence of new legislation, the allotment will be proclaimed at that figure. This would require a reduction of nearly 30 percent in planted acreage in a single year which might cause individual hardships to such an extent as to result in impairment of the country's agricultural producing plant, a risk which should be avoided particularly in view of the present state of world affairs. The bill would therefore provide for a minimum acreage allotment of 61 million acres.

(7) It would permit the producer referendum for the 1954 crop to be delayed until as late as August 15, 1953. The referendum would otherwise be required to be held before July 25, which would not allow sufficient time for the Department to provide farmers with their acreage allotments before the referendum.

In addition the bill would exclude stocks acquired under the Strategic and Critical Materials Stockpiling Act from the computation of carryover for any agricultural commodity. Since these stocks are held for emergency purposes rather than as part of the normal supply, they should not be taken into account in comparing total supply with normal supply.

COMMITTEE AMENDMENTS

The committee amendments to the bill would—

(1) Strike out the provisions increasing the normal production and planted acreage criteria for exempt farms to 400 bushels from 200 bushels, and to 25 acres from 15 acres. On the basis of the 15-acre criterion 1,036,098, or 51.6 percent, of the 2,066,589 farms producing wheat in 1950 (the last year for which figures were available to the committee) would have been exempt from quotas. On the basis of a 25-acre criterion 1,301,732, or 64.8 percent of such farms, would have been exempt. Figures showing the effect of increasing the normal production criterion were not available to the committee. Exemption of these additional farms might cause serious interference with the marketing quota program, and wheat farmers subject to quotas might be reluctant to vote for quotas if so many additional farms were to be exempt. Only farmers who would be subject to quotas are entitled to vote in the referendum, so exempting these additional producers would disfranchise them.

(2) Repeal section 339 of the Agricultural Adjustment Act of 1938 which provides for a marketing penalty of 15 cents a bushel and which has been superseded by Public Law 74, 77th Congress, and by section 3 of the bill.

(3) Make the minimum acreage allotment for the 1954 crop 61 million acres instead of 66 million acres as provided by the bill as it passed the House of Representatives.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

TITLE III—PARITY PAYMENTS, CONSUMER SAFEGUARDS, AND MARKETING QUOTAS

SEC. 301.

* * * * *

(d) *In making any determination under this Act or under the Agricultural Act of 1949 with respect to the carryover of any agricultural commodity, the Secretary shall exclude from such determination the stocks of any commodity acquired pursuant to, or under the authority of, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596).*

SEC. 334. (a) The national acreage allotment for wheat, *less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection*, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period. *The reserve acreage set*

aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is proclaimed.

(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practices.

(c) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of *past acreage of wheat*, tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of [such county] the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made.

(d) Notwithstanding any other provision of this section, the allotments established, or which would have been established, for any farm acquired in [1940] 1950 or thereafter by the United States for national-defense purposes shall be placed in an allotment pool and shall be used only to establish allotments for other farms owned or acquired by the owner of the farm so acquired by the United States. The allotment so made for any farm, including a farm on which wheat has not been planted during any of the three marketing years preceding the marketing year in which the allotment is made, shall compare with the allotments established for other farms in the same area which are similar except for the past acreage of wheat.

[PENALTIES]

[Sec. 339. Any farmer who, while farm marketing quotas are in effect, markets wheat in excess of the farm marketing quota for the farm on which such wheat was produced shall be subject to a penalty of 15 cents per bushel of the excess so marketed.]

PUBLIC LAW 74, 77TH CONGRESS

* * * notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(2) During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of penalty [shall be 50 per centum of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the Act and this resolution] *on wheat shall be 45 per centum of the parity price per bushel of wheat, as of May 1 of the calendar year in which the crop is harvested.*

Calendar No. 521

83^D CONGRESS
1ST SESSION

H. R. 5451

[Report No. 520]

IN THE SENATE OF THE UNITED STATES

JUNE 26 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on Agriculture and Forestry

JULY 10 (legislative day, JULY 6), 1953

Reported by Mr. AIKEN, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 of the Agricultural Adjustment Act of
4 1938, as amended, is amended as follows:

5 (a) By inserting in subsection (a) after the words
6 “The national acreage allotment for wheat” the language
7 ”, less a reserve of not to exceed one per centum thereof for
8 apportionment as provided in this subsection,”.

9 (b) By adding at the end of subsection (a) a new
10 sentence to read as follows: “The reserve acreage set aside

1 herein for apportionment by the Secretary shall be used
 2 to make allotments to counties, in addition to the county
 3 allotments made under subsection (b) of this section, on
 4 the basis of the relative needs of counties for additional
 5 allotment because of reclamation and other new areas
 6 coming into the production of wheat during the ten cal-
 7 endar years immediately preceding the calendar year in
 8 which the national acreage allotment is proclaimed.”

9 (c) By inserting in subsection (b) after the words
 10 “The State acreage allotment for wheat” the language “, less
 11 a reserve of not to exceed 3 per centum thereof for apportion-
 12 ment as provided in subsection (c) of this section,”.

13 (d) By inserting in the first sentence of subsection
 14 (c) after the words “on the basis of” the language “past
 15 acreage of wheat,”.

16 (e) By striking out in the second sentence of subsec-
 17 tion (c) the words “such county” and inserting in lieu
 18 thereof the words “the State”.

19 (f) By striking out in subsection (d) the figure
 20 “1940” and inserting in lieu thereof the figure “1950”.

21 SEC. 2. ~~Section 335 (d) of the Agricultural Adjust-~~
 22 ~~ment Act of 1938, as amended, is amended by striking~~
 23 ~~out the words “two hundred” and inserting in lieu thereof~~
 24 ~~the figure “400”. Section 339 of the Agricultural Adjust-~~
 25 ~~ment Act of 1938, as amended (53 Stat. 55), is repealed.~~

1 ~~SEC. 3. Public Law 74, Seventy-seventh Congress (55~~
 2 ~~Stat. 203)~~, as amended, is amended as follows:

3 ~~(a)~~ By striking out in the second sentence of para-
 4 graph ~~(2)~~ the language "shall be 50 per centum of the
 5 basic rate of the loan on the commodity for cooperators
 6 for such marketing year under section 302 of the Act
 7 and this resolution." and inserting in lieu thereof the lan-
 8 guage "on wheat shall be 45 per centum of the parity
 9 price per bushel of wheat as of May 1 of the calendar
 10 year in which the crop is harvested."

11 ~~(b)~~ By striking out in paragraph ~~(7)~~ the word "fif-
 12 teen" wherever it appears therein and inserting in lieu
 13 thereof the figure "25".

14 *SEC. 3. Public Law 74, Seventy-seventh Congress (55*
 15 *Stat. 203), as amended, is amended by striking out in the*
 16 *second sentence of paragraph (2) the language "shall be 50*
 17 *per centum of the basic rate of the loan on the commodity for*
 18 *cooperators for such marketing year under section 302 of*
 19 *the Act and this resolution."* and inserting in lieu thereof the
 20 language "on wheat shall be 45 per centum of the parity
 21 price per bushel of wheat as of May 1 of the calendar year
 22 in which the crop is harvested."

23 SEC. 4. Notwithstanding any other provision of law

24 (a) the national acreage allotment for the 1954 crop of
 25 wheat shall not be less than ~~sixty-six~~ sixty-one million

1 acres; and (b) the referendum with respect to the 1954 crop
2 of wheat may be held as late as August 15, 1953.

3 SEC. 5. Sections 1, 2, and 3 of this Act shall become
4 effective with respect to the 1954 and subsequent crops
5 of wheat.

6 SEC. 6. Section 301 of the Agricultural Adjustment Act
7 of 1938, as amended, is amended by adding at the end
8 thereof a new subsection “(d)” to read as follows:

9 “(d) In making any determination under this Act or
10 under the Agricultural Act of 1949 with respect to the
11 carryover of any agricultural commodity, the Secretary
12 shall exclude from such determination the stocks of any
13 commodity acquired pursuant to, or under the authority of,
14 the Strategic and Critical Materials Stock Piling Act (60
15 Stat. 596).”

Passed the House of Representatives June 25, 1953.

Attest:

LYLE O. SNADER,

Clerk.

83^d CONGRESS
1ST SESSION

H. R. 5451

[Report No. 520]

AN ACT

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

JUNE 26 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on
Agriculture and Forestry

JULY 10 (legislative day, JULY 6), 1953

Reported with amendments

Senate

FRIDAY, JULY 10, 1953

(Legislative day of Monday, July 6, 1953)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Hamilton P. Fox, minister, Wilson Memorial Methodist Church, Baltimore, Md., offered the following prayer:

Almighty God our Father, we would stand penitent, reverent, and receptive in Thy presence. Forgive our sins, and grant us the privilege of working together with each other and with Thee in common interests of Thy holy will. Give us, we pray, humility of spirit, clarity of vision, correctness of understanding, and fearless courage that we may both know and do that which is good. May our eyes not be dazzled by the superficial brilliance of things. May our ears not be deafened with the alluring and confusing noise of things. May we not mistake movement for advance and change for improvement. May we deeply know that the basis of civilization is spiritual, that the creative dynamic that gives purpose and value to life is the love of God. Moved by this conviction and aided by Thy continued mercy, may we serve effectively. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 9, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 9, 1953:

S. 694. An act to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes.

On July 10, 1953:

S. 106. An act for the establishment of a Commission on Governmental Operations; and

S. 1514. An act to establish a Commission on Intergovernmental Relations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further

the interests of national security by authorizing the prompt development of such works of improvement for power purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1644. An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the Director of Music, the leader of the United States Military Academy Band, and to remove the limitation upon the pay of the United States Naval Academy Band, and to authorize the appointment of the present leader of the United States Navy Band to the permanent grade of commander in the Navy; and

H. R. 4905. An act to amend the Atomic Energy Act of 1946, as amended.

LEAVES OF ABSENCE

On request of Mr. CLEMENTS, and by unanimous consent, Mr. JOHNSON of Texas was excused from attendance on the session of the Senate today.

On request of Mr. CLEMENTS, and by unanimous consent, Mr. KILGORE was excused from attendance on the sessions of the Senate today, tomorrow, and next week.

On request of Mr. CLEMENTS, and by unanimous consent, Mr. KERR, Mr. LEHMAN, and Mr. SMATHERS were excused from attendance on the sessions of the Senate today and tomorrow.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MARTIN, and by unanimous consent, the Committee on Public Works was authorized to meet this afternoon during the session of the Senate.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several

nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. SPARKMAN, from the Committee on Banking and Currency:

A. Jack Goodwin, of Alabama, to be a member of the Securities and Exchange Commission, for the remainder of the term expiring June 5, 1954, vice Donald C. Cook, resigned.

NOMINATION OF J. SINCLAIR ARMSTRONG TO BE MEMBER OF SECURITIES AND EXCHANGE COMMISSION—EXECUTIVE REPORT OF A COMMITTEE

Mr. DOUGLAS. Mr. President, the Committee on Banking and Currency unanimously approved the nomination of J. Sinclair Armstrong, of Illinois, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1958. From that committee I now report the nomination. I should like to be privileged to make a personal statement on the nomination.

The VICE PRESIDENT. The nomination will be placed on the executive calendar. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, the personal record of Mr. Armstrong is a very honorable one. He has divested himself of his interest in the law firm in which he was formerly a partner. I believe the RECORD should show that the law firm of which he was formerly a member, Isham, Lincoln, and Beale, served for many years as the attorneys for the Commonwealth Edison and Public Service Co. of Northern Illinois, which were the two chief companies in the so-called utility empire of Mr. Samuel Insull. However, it is true that Mr. Armstrong joined the firm some years after Mr. Insull had passed out of the picture. So far as I can tell, he has had no connection whatever with the rather tangled financial operations of the Insull firm.

Since I do not believe in guilt by association, I joined in voting for approval of his recommendation. But I believe that that fact, which appears in the records of the Committee on Banking and Currency, should be known to the Senate.

Mr. DIRKSEN. Mr. President, I listened with interest and I appreciate the statement of my colleague the senior

Senator from Illinois [Mr. DOUGLAS], with respect to the nomination of J. Sinclair Armstrong as a member of the Securities and Exchange Commission. The nomination has my approval and I was grateful for the privilege of presenting Mr. Armstrong's name to the Committee.

I may say, only for general information, that Mr. Armstrong is a young man, aged 38 years; he is a lawyer; he is a family man; he is a veteran. He has had an extraordinary amount of contact with the Securities and Exchange Commission. I stated to the Committee on Banking and Currency this morning that he has qualified probably \$100 million worth of securities. I think we can be proud of the nominee, as one who is thoroughly familiar, not only with the act he must administer but also with all the proceedings involved therein. Therefore, the nomination has my unequivocal endorsement.

AGREEMENT REGARDING STATUS OF FORCES OF PARTIES TO NORTH ATLANTIC TREATY—RESERVATION

Mr. DIRKSEN. Mr. President, it is my understanding that next week the Senate will consider the treaty on the executive calendar which is identified as Executive T, 82d Congress, 2d session. It deals with the status of our forces under the North Atlantic Treaty signed at London on June 19, 1951. Some reference has been made on the floor to the treaty and to the jurisdiction of foreign courts over civilians, dependents, and soldiers who are citizens of our country. It is to that treaty that I submit a reservation intended to be proposed by me. I may say that the reservation in substance tries to effectuate to a considerable degree the basic principle involved in the so-called Bricker amendment.

The VICE PRESIDENT. The reservation will lie on the table and will be printed.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, under the heading "New Reports."

DEPARTMENT OF LABOR

The Chief Clerk read the nomination of Stuart Rothman, of Minnesota, to be Solicitor for the Department of Labor.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL MEDIATION AND CONCILIATION SERVICE

The Chief Clerk read the nomination of Whitley P. McCoy, of Alabama, to be Federal Mediation and Conciliation Director.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

NATIONAL LABOR RELATIONS BOARD

The Chief Clerk read the nomination of Guy Farmer, of the District of Colum-

bia, to be a member of the National Labor Relations Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL MARITIME BOARD

The Chief Clerk read the nomination of Eldon Claggett Upton, Jr., of Louisiana, to be a member of the Federal Maritime Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour, to permit Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that further proceedings under the quorum call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF ACT OF DECEMBER 3, 1942, RELATING TO BENEFITS FOR CERTAIN OFFICERS OF COAST AND GEODETIC SURVEY

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of December 3, 1942, relating to benefits for certain officers of the Coast and Geodetic Survey (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY RECORDS

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the payment of claims arising from the correction of military or naval records, for the period July 1, 1952, through December 31,

1952 (with an accompanying report); to the Committee on Armed Services.

LAWS ENACTED BY TWENTIETH SPECIAL SESSION OF SEVENTEENTH LEGISLATURE OF PUERTO RICO

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a certified copy of the acts of the 20th special session of the 17th Legislature of Puerto Rico (with an accompanying document); to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAPEHART, from the Committee on Banking and Currency:

S. 2104. A bill to authorize the payment of compensation to Clarence A. Beutel, formerly Deputy Administrator of the Reconstruction Finance Corporation, for the period from September 10, 1952, through June 1, 1953; without amendment (Rept. No. 518); and

S. Res. 136. Resolution increasing the limit of expenditures by the Committee on Banking and Currency; without amendment; and, under the rule, the resolution was referred to the Committee on Rules and Administration.

By Mr. POTTER, from the Committee on Interstate and Foreign Commerce:

S. 1442. A bill to amend section 202 (e) of the Federal Power Act, with respect to the jurisdiction of the Federal Power Commission over persons and facilities engaged in the transmission or sale of electric energy to foreign countries; with amendments (Rept. No. 513).

By Mr. BARRETT, from the Committee on the District of Columbia:

H. R. 3704. A bill to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia; with amendments (Rept. No. 516).

By Mr. BEALL, from the Committee on the District of Columbia:

S. 2305. A bill to promote safe driving, to eliminate the reckless and financially irresponsible driver from the highways, and to provide for the giving of security and proof of financial responsibility by persons driving or owning vehicles of a type subject to registration under the laws of the District of Columbia; with an amendment (Rept. No. 515).

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

H. R. 5451. A bill to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes; with amendments (Rept. No. 520).

DEVELOPMENT AND PRODUCTION OF TUNGSTEN ORES AND CONCENTRATES—REPORT OF A COMMITTEE

Mr. MALONE. Mr. President, from the Committee on Interior and Insular Affairs, I report favorably, with amendments, the bill (H. R. 2824) to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes, and I submit a report (No. 517) thereon.

Mr. President, no new appropriation or no new authorization is included in the bill. It provides for an extension of the time for 2 years in which the law already passed can be satisfied as to the amounts of the mineral that is to be purchased. It was found that the time was too short to carry out the contracts. The purpose of the bill is to extend the time.

Daily Digest

HIGHLIGHTS

Senate passed second independent offices appropriations, and measures on AEC fellowships, unfit wheat importation, and Idaho land; and cleared for President bills on additional Assistant Postmaster General, and Virginia land.

Bill extending excess-profits tax for 6 months passed by House.

Senate committees approved miscellaneous bills and nominations.

Bills regarding Federal factory inspection and Farm Credit Administration cleared for House debate by Rules Committee.

Conferees agreed to file reports on mutual security extension, and emergency drought relief.

See Congressional Program Ahead.

Senate

Chamber Action

Routine Proceedings, pages 8730-8742

Bills Introduced: 15 bills and 2 resolutions were introduced, as follows: S. 2341 to S. 2355; S. Con. Res. 40; and S. Res. 139.

Pages 8733-8734

Bills Reported: Reports were made as follows:

S. 1442, to amend the Federal Power Act with respect to the jurisdiction of the FPC over persons and facilities engaged in the transmission or sale of electric energy to foreign countries, with amendments (S. Rept. 513);

S. Con. Res. 40, expressing the sense of Congress that export containers be marked with the words "United States of America" (S. Rept. 514);

S. 2305, Motor Vehicle Safety Responsibility Act of the D. C., with amendment (S. Rept. 515);

H. R. 3704, to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the D. C., with amendments (S. Rept. 516);

H. R. 2824, to encourage the discovery, development, and production of tungsten ores and concentrates, with amendment (S. Rept. 517);

S. 2104, private bill (S. Rept. 518);

S. Res. 139, citation of Timothy J. O'Mara for contempt of Senate (S. Rept. 519);

H. R. 5451, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, with amendments (S. Rept. 520); and

S. Res. 136, to increase by \$10,000 limit of expenditures by Committee on Banking and Currency (no written report)—referred to Committee on Rules and Administration.

Pages 8730-8733

Bills Referred: Two House-passed bills were referred to appropriate committees.

Pages 8734, 8763

Jury Trials: Senate requested conference on S. 252, permitting trial by jury of civil actions against U. S. for recovery of taxes erroneously or illegally assessed or collected, and appointed as conferees Senators McCarran, Watkins, and Welker.

Page 8734

Second Independent Offices Appropriations: Senate passed with amendments H. R. 5690, second independent offices appropriations for 1954, after taking the following actions on amendments:

Adopted: All committee amendments; Saltonstall (for Kefauver) amendment requiring that rents on property owned by the Atomic Energy Commission shall not be raised above level in effect on June 1, 1953; modified Cooper amendment to increase funds by \$1,350,000 for resource development program, TVA; and

Rejected: Kefauver amendment increasing by \$30 million funds for TVA.

Senate requested conference with House on the bill and appointed as conferees Senators Saltonstall, Bridges, Ferguson, Cordon, Hickenlooper, Maybank, Hill, and Ellender.

Pages 8742-8784

Assistant Postmaster General: H. R. 5302, providing for an additional Assistant Postmaster General, was passed without amendment, clearing the bill for the President.

Page 8786

Importation of Wheat: S. Res. 127, authorizing Committee on Agriculture and Forestry to make investiga-

tion of importation of wheat classified as unfit for human consumption, was passed without amendment.

Page 8786

AEC Fellowships: S. 1569, providing for investigation by Civil Service Commission in lieu of FBI of persons receiving AEC fellowships, was passed with an amendment by Senator McCarran providing that CSC may turn over investigation to FBI when investigation discloses a reasonable inference of questionable loyalty.

Pages 8786-8787

Idaho Land: S. 122, directing conveyance of certain property to Rupert, Idaho, was passed with committee amendments and an amendment by Senator Dworshak providing that lands involved shall be used only for public purposes.

Pages 8787-8789

Virginia Lands: Senate passed without amendment, clearing for President, H. R. 4072, relating to disposition of certain lands by Commonwealth of Virginia to School Board of Mecklenburg County, Va.

Pages 8789-8791

Wheat Marketing Quotas: Senate made its unfinished business H. R. 5451, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938.

Page 8792

Confirmations: Four civilian nominations were confirmed, including those of Whitley P. McCoy, of Alabama, to be Federal Mediation and Conciliation Director, and Guy Farmer, of D. C., to be a member of the NLRB.

Page 8792

Nominations: The nominations of three Air Force generals were received.

Page 8792

Program for Saturday: Senate recessed at 8:46 p. m. until 11 a. m. Saturday, July 11, when it will consider H. R. 5451, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938.

Committee Meetings

(Committees not listed did not meet)

WHEAT

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported with amendments H. R. 5451, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938. The major amendment approved by the committee would decrease from 66 to 61 million acres the minimum 1954 wheat acreage allotment.

COTTON ACREAGE ALLOTMENTS

Committee on Agriculture and Forestry: Committee continued its hearings on S. 2106 and S. 2183, bills on cotton marketing quotas and acreage allotments, with testimony in opposition to S. 2106 from the following witnesses: Senator Maybank; E. Hugh Agnew and J. F. McLaurin, both of the South Carolina Farm Bu-

reau; L. Y. Ballentine, Raleigh, N. C.; M. Tilghman, Dunn, N. C.; Paul Keller, Clayton, N. C.; and James H. Gilfoil, Louisiana Delta Council. The witnesses all favored the continuance of cotton acreage allotments on the basis of present law. Hearings continue tomorrow.

APPROPRIATIONS—MUTUAL SECURITY

Committee on Appropriations: Committee continued its hearings on proposed budget estimates for the mutual security program, with testimony today from Frank C. Nash, Assistant Secretary of Defense, and Secretary of the Treasury George M. Humphrey, accompanied by their assistants. Hearings continue July 13 in executive session.

APPROPRIATIONS—DEFENSE DEPARTMENT

Committee on Appropriations: Subcommittee concluded hearings on H. R. 5969, Defense appropriations for 1954, with testimony on the general provisions of the bill from Lyle S. Garlock, Deputy Comptroller for Budget, and Brig. Gen. Robert S. Moore, retired, Special Assistant to the Comptroller, both of the Defense Department; and H. Lee White, Assistant Secretary of the Air Force for Management, all accompanied by their associates. Subcommittee recessed subject to call.

NOMINATIONS, AND COMMITTEE EXPENDITURES

Committee on Banking and Currency: Committee, in executive session, ordered favorably reported the nominations of A. Jack Goodwin, of Alabama, and J. Sinclair Armstrong, of Illinois, both to be members of the SEC. Committee also approved without amendment S. 2104, a private bill, and S. Res. 136, to increase by \$10,000 limit of expenditures by Committee on Banking and Currency.

Prior to these actions, committee held open hearings on the above nominations, with testimony in behalf of Mr. Sinclair from Senator Dirksen, and in behalf of Mr. Goodwin from Representative Roberts. The nominees were present to answer questions in behalf of their own nominations.

D. C. HOME RULE

Committee on the District of Columbia: Committee, in executive session, ordered favorably reported with amendments (1) S. 999, to provide an elected Mayor, City Council, School Board, and nonvoting Delegate to the House of Representatives (one amendment would provide that the Mayor would be elected instead of appointed by the President); (2) H. R. 3704, to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the D. C.; (3) H. R. 2236, to establish a Commission on Area Problems of the Greater Washington Metropolitan Area; and (4) with an amendment S. 2305, Motor Vehicle Safety Responsibility Act of the D. C.

9. **SURPLUS PROPERTY.** Passed without amendment S. 2199, providing for the donation or lending of surplus equipment and supplies to States for use or distribution during major disasters (pp. 8718-20).
10. **APPROPRIATIONS.** The Appropriations Committee reported without amendment H. R. 6200, the supplemental appropriation bill, 1954 (H. Rept. 761) (p. 8727). The bill includes the following items: Export control, Commerce Department, \$3,700,000; management improvement fund, \$500,000 (\$500,000 less than the Budget estimate); Committee on Retirement Policy for Federal Personnel, \$200,000 (\$10,000 below Budget estimate); Commission on Intergovernmental Relations, \$500,000 (same as Budget estimate); Commission on Organization of the Executive Branch of the Government, \$250,000 (same as Budget estimate). The Committee disallowed estimates for defense-production activities of this Department (\$350,000), the Mexican farm-labor program, and the Council of Economic Advisers, stating that funds already available for these activities are sufficient.

The bill also includes general provisions, which are applicable to all departments and agencies. Sections 1201 through 1212 are identical to those carried last year. Secs. 1213 through 1221 are included for the first time in this bill as explained below.

Section 1201 continues, at \$1,400 each, the limitation on the amount that may be spent for purchase of passenger motor vehicles. This is the same figure that is carried in the 1953 Act.

Section 1202 continues language which has been carried for some years concerning the employment of aliens.

Section 1203 continues language previously carried relating to living quarters allowances.

Section 1204 continues language previously carried prohibiting the filling of positions by anyone whose nomination has been disapproved by the Senate.

Section 1205 continues language previously carried limiting the amount that may be paid for copies of the United States Code Annotated and the Lifetime Federal Digest.

Section 1206 continues language previously carried relating to the use of funds by Government corporations.

Section 1207 continues language previously carried prohibiting the use of funds of corporations for purchase or construction of office buildings at the seat of Government.

Section 1208 continues language previously carried commonly known as the anti-strike provision.

Section 1209 continues language previously carried concerning payments to retired officers who may be conducting negotiations with the Government.

Section 1210 continues language previously carried to authorize the transfer of personnel and appropriations to defense activities of various departments and agencies of the Government in pursuance of law.

Section 1211 prohibits the use of funds in this Act to pay employees at rates in excess of that provided in the regular 1954 appropriation acts. This is similar to a provision in last year's bill.

Section 1212 continues language inserted last year concerning rental of Government-owned living quarters. This language incorporates, by reference, Bureau of the Budget Circular A-45 and is recommended by the committee in order to establish a more uniform and equitable handling of the rental of Federal property by Government employees.

Section 1213 authorizes the use of appropriated funds to purchase foreign credits owed to or owned by the United States, as required by Section 1415 of Public Law 547, 82nd Congress. The Committee expects that the Treasury Department, the General Accounting Office, and the Bureau of the Budget will take appropriate administrative action in their respective fields to insure that custody, control, reporting, purchase, sale and accountability of foreign currencies and

credits will be handled in accordance with the principles outlined in the Budget Bureau's January report to the Committee on this subject.

Sections 1214 through 1221 establish a new procedure designed to expedite the payment of judgments rendered against the United States by district courts and the Court of Claims.

The language contained in Section 1209 makes this section permanent. Accordingly, it will not be necessary to carry it hereafter.

11. ADJOURNED until Mon. July 13 (p. 8727). The LEGISLATIVE PROGRAM for next week as stated by the Majority Leader: Mon., customs-simplification bill and conference report on the mutual security bill; Tues., begin debate on the supplemental appropriation bill, then take up for final action the bill providing Federal aid to schools in Federal areas; Wed., and balance of week, continue consideration of the supplemental appropriation bill, then (but not necessarily in this order) the factory inspection, and FCA reorganization bills, if rules are granted, the trade agreements extension bill, and the international Trade Fair resolution (p. 8703).

SENATE - July 11.

12. WHEAT QUOTAS. Passed as reported (plus a technical clarifying amendment by Sen. Aiken) H. R. 5451, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938 (pp. 8809-25). Sen. Carlson offered and then withdrew an amendment to exempt the drought disaster areas from the 1954 acreage allotments (pp. 8824-5).
13. NOMINATIONS of John H. Davis and Romeo M. Short to be Assistant Secretaries of Agriculture were received (p. 8829).
14. DROUGHT RELIEF. Sen. Schoeppel inserted a Kansas Livestock Association letter supporting drought relief legislation to aid livestock producers (p. 8829).
15. ELECTRIFICATION. Sen. Morse spoke and inserted items on the Administration's attitude and actions on Hells Canyon Dam and TVA (pp. 8797-8809).
16. MINERALS. Received a Los Angeles Council resolution favoring H. R. 5664, to amend the mineral leasing laws with respect to their application to pipelines passing through the public domain (p. 8794).
17. IMMIGRATION. Received a Mass. General Court resolutions in favor of Sen. Watkins' bill, S. 1917, to permit the issuing of 240,000 special quota immigrant visas (p. 8794).
18. LEGISLATIVE PROGRAM as stated by the Acting Majority Leader: Mon., the International Wheat Agreement and S. J. Res. 97 to carry it out, as the first order of business, and the German debt settlement agreement; Tues., probably the conference report on the mutual-aid bill (pp. 8796-7).

BILLS INTRODUCED - July 10

19. MINERALS; LANDS. H. R. 6216, by Rep. Aspinall, H. R. 6217, by Rep. Dawson, Utah, and H. R. 6220, by Rep. Stringfellow, relating to mining claims located on land with respect to which a permit or lease has been issued, or an application or offer for permit or lease has been made, under the mineral leasing laws, or known to be valuable for minerals subject to disposition under the mineral leasing laws; to Interior and Insular Affairs Committee (pp. 8727, 8728).

if we do not get some policemen out on the political highway in a hurry.

Not only has the intervening National Hells Canyon Association been rushed to hearing, but apparently the Idaho Power Co. applications have been given a quick O. K. as to form.

The administration is setting new track records for speed. It is sad indeed that the expedition has been shown only for official acts of such dubious merit.

RESIGNATIONS FROM SUBCOMMITTEE ON GOVERNMENT OPERATIONS

Mr. President, the Eisenhower administration has had much to say from the political rostrums about spiritual values. I completely agree with every pronouncement of the Eisenhower administration to date on spiritual values, including the great pronouncement of the President of the United States yesterday in regard to religious values and principles.

I have always said that when the Eisenhower administration proposes anything, recommends anything, or does anything which I believe to be in the public interest, I will be on the floor of the Senate strengthening the hand of the administration, and supporting it as vigorously as I shall oppose it when I think it is working against the public interest.

I am sad that for the most part during this session of Congress I have had to be on the floor of the Senate opposing the Eisenhower administration, because it has given me so little to support from the standpoint of the welfare of the American people. But for the great pronouncement of President Eisenhower yesterday, which after all, when we reduce it to the true meaning, is a great defense of the constitutional principle of freedom of religion in this country, I commend him, as I commend the three Democratic Senators who resigned from the subcommittee yesterday. In my judgment, there was no other course of action they could follow, if we are to protect the rights of Members of the Senate to fair treatment in committees.

I did not intend, until the Senator from Mexico raised the point, to bring up the subject for discussion. I shall comment on it very briefly.

For 8 years, before the Senate this year kicked me off the Armed Services Committee—in my judgment against my rights, and in violation of my 8 years of seniority in the Senate—I served on the Committee on Armed Services, under the very able chairmanship of the following chairmen: Walsh, of Massachusetts; Tydings, of Maryland; Gurney, of South Dakota; and Russell, of Georgia. In those 8 years not a partisan act, to my knowledge, was ever taken by the Armed Services Committee; and in those 8 years, Mr. President, under each of the chairmen, the committee acted by majority vote in connection with every appointment to the staff of those committees. It was made clear by every chairman of the committee during the 8 years of my service on the Armed Services Committee that the principle of majority rule prevailed. That, probably as much as, if not more than, any other one factor explains why during the 8

years of my service on the Armed Services Committee I never saw the head-of-partisanship rear itself once.

That is why I congratulate the Democrats who yesterday resigned from the subcommittee, for in my judgment, if there is any doubt about what the rights of members of committees are, the Senate itself should now change its rule, so as to make clear that in the appointment of committee staff members, chairmen of committees shall not have dictatorial powers to hire or fire at will, but both the hiring and the firing shall be done by majority consensus of opinion of the committees. If that is not done, I believe the danger of abuse will be created. As I have said so often, I believe we have the duty of following procedures which check the possibility of abuse.

Mr. President, next Friday I shall give the next in a series of speeches on the whole issue of public power versus private monopoly exploitation of the public interest, and also cover a couple of subjects I intended to cover today, but which, out of a spirit of cooperation with the distinguished acting majority leader, the Senator from California [Mr. KNOWLAND], and his desire to move as rapidly as possible this afternoon with the pending business of the Senate, I shall forego giving today.

I shall forego giving two more speeches I have prepared to give and thought I would give today. One deals with the great issue of home rule for the District of Columbia, with particular attention being paid to keeping faith with democratic processes in the District, through my proposal for the election of a mayor. The second speech deals with some of the practices of the Civil Aeronautics Board, which I believe need to be brought under surveillance, so the public can be aware of some of the practices of the Board.

I wish to say to the Senator from California that it is a pleasure for me to cooperate with him in postponing those speeches, so that today he can proceed with the business of the Senate, because the interval will give me more time to add to the material for those speeches. I wish to obtain additional material on several subtopics of each of them, and I shall have that material ready by next Friday.

NOMINATION OF PAUL F. LARRAZOLO, OF NEW MEXICO

Mr. CHAVEZ. Mr. President, I am very happy today because of a nomination which has been made by the President of the United States. The nomination to which I refer is an outstanding one. Other nominations which the President has made may have been as good, but certainly none has been better.

Today I am very happy that the President has seen fit to nominate Paul F. Larrazolo, of New Mexico, to be United States attorney for the district of New Mexico.

I have known this young man ever since his infancy. I rise today not only to express my pleasure at the nomina-

tion but also to point out that the life of Mr. Larrazolo and the life of his father are outstanding proof of the benefits and opportunities of life in the United States of America.

Mr. Larrazolo's father was born in old Mexico. As a child he was brought to New Mexico. He was then an orphan and was placed in charge of the Catholic archbishop at Santa Fe. He was put through school, eventually went to college, then became an attorney, was district attorney of El Paso, Tex., and later came to New Mexico, where he was elected Governor of the State. In addition, from December 7, 1928, to March 3, 1929, he occupied a seat on the Republican side of this Chamber, as a Senator of the United States.

For practically all my life I have known the Larrazolo family—the father, the mother, and the children.

I recall that since I have been a Member of the Senate, Paul Larrazolo, the nominee to be United States attorney for the district of New Mexico, made his way through school by working here in the city of Washington. He graduated from Georgetown University law school. Thereafter he returned to New Mexico.

Notwithstanding that, I know he is a Republican, I wish to express my great admiration of him, for he is decent and honest, a fine lawyer, the son of a fine father, a fine family man, and will make a fine United States attorney for New Mexico.

Mr. President, I believe I can speak for the people of New Mexico and certainly for the rank and file. Therefore, in speaking in their behalf, as well as in my own behalf, I desire to thank the President of the United States for sending to the Senate, for consideration, the nomination of Paul F. Larrazolo.

WHEAT MARKETING QUOTA PROVISIONS OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938

The Senate resumed the consideration of the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Kefauver
Anderson	Gillette	Knowland
Barrett	Goldwater	Kuchel
Bennett	Gore	Langer
Bush	Green	Long
Butler, Nebr.	Griswold	Magnuson
Capehart	Hayden	Malone
Carlson	Hendrickson	Mansfield
Case	Hennings	Martin
Chavez	Hickenlooper	McCarran
Clements	Hill	McCarthy
Cooper	Hoey	McClellan
Cordon	Holland	Millikin
Dirksen	Hunt	Morse
Duff	Ives	Mundt
Dworshak	Jackson	Murray
Eastland	Jenner	Neely
Ellender	Johnson, Colo.	Payne
Ferguson	Johnson, Tex.	Potter
Flanders	Johnston, S. C.	Purtell

Russell	Smith, N. J.	Watkins
Saltonstall	Sparkman	Welker
Schoeppel	Stennis	Williams
Smathers	Thye	Young
Smith, Maine	Tobey	

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

Mr. CLEMENTS. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Delaware [Mr. FREAR], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from South Carolina [Mr. MAYBANK], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. KILGORE], and the Senator from New York [Mr. LEHMAN] are absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present.

The clerk will state the first committee amendment to House bill 5451.

The first amendment was, on page 2, line 21, after "SEC. 2.", to strike out "Section 335 (d) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the words 'two hundred' and inserting in lieu thereof the figure '400.'" and insert "Section 339 of the Agricultural Adjustment Act of 1938, as amended (53 Stat. 55), is repealed."

Mr. CASE. Mr. President, I should like to address a question to the chairman of the Committee on Agriculture and Forestry [Mr. AIKEN].

Did the committee give any consideration to making the acreage 20 acres, rather than 15 or 25 acres?

Mr. AIKEN. The committee did consider changing the exemption to 25 acres, and then to 20 acres, but finally decided to keep the present 15 acres exemption, which was thought would be the best for all concerned. The House approved a 25-acre exemption. They raised the exemption from 15 to 25 acres, and from 200 bushels to 400 bushels.

Mr. CASE. I suppose it would be somewhat theoretical as to what the effect would be if the change were made.

Mr. AIKEN. No one knows for sure.

Mr. CASE. But, thinking in terms of the practical operations of individual farmers, it occurred to me that 20 acres might be a happier figure than either 15 or 25 acres. I express the hope that when the bill goes to conference it can be studied further. It will be in conference, will it not?

Mr. AIKEN. It was the intention of the chairman not to request a conference, but if the House should request a conference, we would grant the request and the conferees should meet as speedily

as possible so that we can meet the deadline of next Wednesday.

I may say that the original purpose of raising the acreage exemption figure from 15 to 25 acres and from 200 to 400 bushels was to make as certain as would be possible that the wheat farmers would vote to accept acreage allotments and marketing quotas next year.

There was some fear expressed in the States of the West, which are predominantly wheat States, that the wheat growers of the eastern States who produce wheat in rotation with other crops might not be willing to accept quotas. Personally, I think their fears are groundless, because it is my opinion that wheat quotas will be voted by eastern growers as well as by western growers.

Then this problem arises: If we increase the exemption from 15 to 25 acres, are we encouraging the exempt grower actually to raise his acreage, and if he does so, any increase he might make between 15 and 25 acres would almost certainly come out of the larger wheat producers eventually, because there would be no other place from which an eventual adjustment in production could come.

I might add there has been a considerable change in sentiment in regard to the amendment. There has been an increasing belief that the small wheat growers would vote for quotas even though they produce wheat on only from 15 to 18 acres.

Mr. CASE. The matter is so hypothetical that we cannot tell what the net effect will be. But it occurs to me that, taking in the case of the man on what might be called a family-size farm, wheat produced on 15 acres is pretty small amount compared to the entire wheat crop, but it becomes an important element in making a living for the family. Twenty acres is not much, to be sure, but I think it would be weighted a little bit in favor of the small farmer to make it 20 acres rather than 15 acres.

Mr. AIKEN. I can give the Senator some figures which have been furnished by the Department of Agriculture, showing what percentage of the wheat growers would be eligible to vote under the different acreage exemptions.

If we leave the law as it is and exempt from voting and also from penalties, the growers who plant to wheat less than 15 acres, 51.6 percent of the wheat growers would be ineligible to vote.

If we raise the amount to 20 acres, 58.1 percent of the wheat growers would be ineligible to vote.

If we raise it to 25 acres, 64.8 percent of the wheat growers would be ineligible to vote on whether they want quotas. Although they would be exempt from penalties, they would be subject to acreage allotments regardless of how many acres they plant to wheat, whether it be 4 acres or 24 acres. Nevertheless, if they did not keep within their allotments, they would not be eligible for price supports. We know the small grower's price is pretty much fixed by what the industry as a whole receives. If the entire wheat industry were supported, it could be that thousands of small growers would elect to increase their acreages from 15 to 24 acres and

take their chances on the market. If they did that, the additional reduction in acres would simply come out of the wheat belt eventually.

Mr. CASE. It probably would.

Mr. AIKEN. That has happened in the case of tobacco, as the Senator recalls, and we had to cut down on the acreage of the larger tobacco growers to such an extent that we finally got a wave of protests from them.

Mr. CASE. It probably would come out of the acreages of the larger wheat farmers. There are a great many large wheat farmers in the Dakotas. But I am thinking of the problem of the tenant farmer and renter, the man with a relatively small farm. Acreage becomes pretty important to him from the standpoint of making ends meet.

What is the difference in numbers of farmers between the 15- and 20-acre exemption, if the Senator has that figure? On the basis of the figures given in the committee report, it is between 1 million plus and 2 million plus. I suppose it would be approximately 500,000 farmers.

Mr. JOHNSON of Colorado. Mr. President, will the Senator permit me to inject a question on that point?

Mr. AIKEN. Let me answer the Senator from South Dakota first.

The last year in which we had acreage allotments was 1950. At that time there were 1,036,098 farmers producing not over 15 acres of wheat out of a total of 2,066,589. Approximately half the farms were planting 15 acres or less.

I now yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. On that point, the Senator from Vermont has stated it in percentage of the number of farms. Does he have any information as to the number of bushels of wheat? He has mentioned 64 percent of the farms. How much of the wheat crop, in percentage, would that amount to?

Mr. AIKEN. I have the percentages on that point.

It is shown that 12.2 percent of the crop was produced on farms planting less than 15 acres of wheat; 16.4 percent was produced on farms having not over 20 acres in wheat; 20.5 percent of the total crop—this is on a 5-year average—was produced on farms planting 25 acres or less. Approximately 80 percent of the wheat of the country is produced on farms where more than 25 acres of wheat are grown.

I think that percentage would hold fairly true today, although these figures are based on the 1950 acreage allotment.

Mr. CASE. Mr. President, will the Senator from Vermont yield further?

Mr. AIKEN. I yield.

Mr. CASE. In other words, it would mean that approximately 4 percent of the crop would be represented by increasing the acreage to 20 acres instead of 15 acres?

Mr. AIKEN. Approximately 4.2 percent of the crop would be affected, using the 1950 acreage allotment as a base. As I say, I think those figures hold fairly true today.

I certainly wish someone could have told the committee what the effect of changing the production exemptions would be, but no one seemed to know.

Mr. CASE. What appeals to me is that there are two viewpoints to consider, possibly three. The first is the effect upon the voting. The second is the amount of wheat to be taken away from the larger wheat growers if the acreage to be exempted should be increased. The third viewpoint, and I believe it is possibly the most important, is the effect upon the income of family-size farms. From an economic standpoint, the effect upon family-size farms of exempting 15 acres will possibly be the most severe.

Mr. AIKEN. Yes; and there is also the problem of the effect upon the whole program if 20 percent of the total crop and nearly two-thirds of the total number of producers are left outside the program.

Mr. CASE. The Senator from Vermont is speaking of 20 percent of the national production grown on farms producing 25 acres or less of wheat. I was not suggesting that. I had reference to 20 acres. If the increase were from 200 to 300 bushels, that would mean 100 bushels more per farm. After all, 300 bushels multiplied by the price of wheat per bushel is an important factor for the small farmer. It is not so important from the standpoint of the total economy.

Mr. AIKEN. I think we might take into consideration the fact that the reason that less than 25 acres of wheat are grown on these farms is because it is grown in rotation with other crops. I wish I could tell the Senator from South Dakota what would happen under any of these hypothetical circumstances, but I cannot.

Mr. CASE. As we have both agreed, the matter is in the realm of uncertainty. It is not possible even to try to deal with a suggested exemption in the case of individual farmers, with whom I am somewhat familiar.

I simply wish to suggest to the Senator from Vermont, who is chairman of the committee, that if the bill goes to conference, and if the House does not accept the Senate amendment striking out the change in limitations, the conference might then consider splitting the difference and making the quantity exemption 300 bushels and the acreage exemption 20 acres.

Mr. AIKEN. If the bill goes to conference, I have not the slightest doubt that the change suggested by the Senator from South Dakota will be considered. It is inevitable that it will be considered.

I cannot quite go along with the theory that the small wheat grower is more likely to vote against quotas than is the one who raises perhaps 18, 20, acres, or more of wheat.

Mr. CASE. I do not want the RECORD to indicate that I thought voting was the major consideration. I do not think it is the major consideration.

Mr. AIKEN. I think that is what prompted the amendment in the first place.

Mr. CASE. That may be, but my feeling is that the primary consideration ought to be the economic condition of the farmer.

Mr. AIKEN. It is said that if the acreage limitation were left at 15 acres, Ohio could outvote Kansas. I have not checked on that, but I presume it is true. However, with the wheat situation as it is today, I cannot conceive of Ohio wanting to outvote Kansas.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HOLLAND. I suggest that perhaps the most serious effect of upping the exempt acreage has not been mentioned by the Senator from South Dakota. Farmers now producing 15 acres or less would have a chance to go up to 20 or 25 acres, or to whatever the increased acreage might be.

I call the attention of the distinguished Senator to the fact that more than a million wheat farmers, a little more than half the entire number, are now producing 15 acres or less. If the exempt acreage goes up to 20 acres, there is a possibility that more than 5 million acres would be added from that source alone. I do not mean that each of the farmers would step up his wheat acreage to 20 acres, but it is at least a possibility. If the acreage were stepped up to a minimum of 25 acres, there would be a possibility of stepping up the entire acreage by more than 10 million acres.

Of course, a temptation would be offered to every one of the legally exempt farmers to plant more than he has planted heretofore. He could plant up to the limit which is exempt.

It occurred to me that perhaps this would be the most serious implication in the whole matter, if a change were to be made upward in the exemption of acreage.

Mr. CASE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CASE. The Senator from Florida has touched on precisely the point I wish to make. I should like to make it from the positive point of view that the stepup with respect to small-sized farms may mean the difference between making a living and not making a living. Wheat cannot be raised without a certain amount of investment. When less than 15 acres is grown, it is probably economically impractical, if a farmer is to have modern machinery. Exactly where the dividing line should be I am not certain. A great many farmers who rent a quarter section or a half section of land use a certain number of acres as pasture and plant a certain number to crops. If they were limited to 15 acres, a hardship would be worked. If they could go over that, wheat growing would be made economical.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. HOLLAND. I suggest to the Senator from South Dakota that the best answer is that the very large number of wheat farmers, more than half the entire number, have not seen fit to in-

crease their acreage above 15 acres, even though there has been no limitation at all, and even though they have had a very generous price-support program on which to rely. So it would appear that perhaps there is no necessity for increasing the acreage in wheat to that particular point.

Mr. AIKEN. The incentive in recent years apparently has resulted in an increase in the number of small fields of wheat, as one can easily ascertain by driving through Maryland, Pennsylvania, and Delaware. I would not assume that raising the limitation to 25 acres would mean that every farmer raising under 15 acres now would promptly raise his acreage to 25 acres. If he did, it would mean an increase of ten or fifteen million acres in the Nation. However, I think it is entirely possible that a sufficient number would increase their acreage so that there would be 2 million or 3 million additional acres planted to wheat, thereby increasing the surplus, which perhaps would defeat the purpose of the quota program.

Mr. CASE. Mr. President, will the Senator yield again?

Mr. AIKEN. I yield.

Mr. CASE. To compare what will happen in the immediate future with what has happened in past years is a little misleading, because many farmers in the West have been placing the emphasis upon cattle during the past few years. If the economic picture for cattle and for some of the other crops is changed, the incentive for going into wheat growing, if there is a price-support program, may be different from what it has been during the last 5 years.

Mr. AIKEN. Nevertheless, we are experiencing an increase in grain crops, particularly in some southern States, as in the Carolinas, where planting of cotton has been abandoned and the land is being used for the production of wheat and other crops.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Minnesota.

Mr. THYE. In reply to the remarks of the Senator from South Dakota, I may say that a producer of wheat may possibly be producing oats, barley, and rye. Therefore he would have his harvesting equipment. If he were not growing wheat he would be growing oats. So, from the standpoint of the effect upon the individual so far as his machinery needs are not concerned, I do not believe there is a problem in connection with that type of farming operations.

I recognize that we are faced with this condition: In the past 5, 6, or even 10 years, a great number of farmers who normally have grown wheat abandoned wheat production entirely and undertook to raise soy beans, because there were no restrictions on soybeans, and that was a very profitable crop to grow because of the great need for oil. Other farmers grew corn and oats because they wanted feed crops, for the reason that livestock prices were good.

But, in view of the decline in beef prices, and the restrictions imposed on

corn acreage, we shall find a great number of farmers who will endeavor to resume wheat growing simply because they are denied the right to grow corn.

I could take Senators into communities with which I am familiar, and point to the wheat acreage that was grown when there were acreage quotas, 10 or 12 years ago. Not an acre of wheat has been produced there for the past 12 years, simply because there were no restrictions on corn. But if we impose corn acreage allotments—which I know we shall have to do—and in the event there should be restrictions on soybeans, such a farmer will go right back into wheat production. If we allow too high an exempt wheat acreage, we shall defeat what we are endeavoring to accomplish by voting wheat quotas with respect to the big commercial operators, because we deny certain wheatgrowers a certain number of acres of wheat. However, the little fellow, who is denied a certain acreage in corn comes along, and he puts those same acres into wheat. Those acres may produce 25 or 30 bushels to the acre, whereas the national average may be around 18 or 15. Then we shall have immediately taken up all the slack in wheat production which we thought we were obtaining by voting certain restrictions on the big commercial wheat-growers.

We cannot escape that fact. I should like to stand here and say, "Allow the producer 25 acres unrestricted." That would please the producers in the Midwest, in such States as Wisconsin, Minnesota, Iowa, and even Michigan and Illinois, where certain farmers may not have grown an acre of wheat in the past 12 years.

If a restriction were placed on their corn, they would look around for some other type of crop. They would say, "Wheat is it." They could plant 25 acres without being in violation of any regulations; and if 25 acres were planted to wheat on very many farms in Indiana, Illinois, Wisconsin, and Minnesota—farms that have not had an acre of wheat for the past 12 years—whatever restrictions we have imposed on Kansas, Oklahoma, and Dakota producers would be absolutely defeated, and we would come up with the same total number of bushels of wheat we have today as a surplus problem.

I am speaking now against what many producers in the Midwestern States want, namely, as high an acreage as possible for wheat, because then they would have something to plant if they were denied corn acreage.

I think we must examine this question very carefully. I do not want to impose a hardship on my own producers, but I do not want to defeat the program by allowing too high an unrestricted wheat acreage, knowing what the ultimate effect would be.

Mr. CASE. Mr. President, will the Senator yield for one further observation?

Mr. AIKEN. Yes; and after I yield to the Senator from South Dakota I wish to make a very brief explanation as to why this legislation happens to be before the Senate today.

I now yield to the Senator from South Dakota.

Mr. CASE. The Senator from South Dakota did not argue for the 25-acre limitation, or the change to 400 bushels, but suggested that a golden mean might be 20 acres and 300 bushels.

Mr. AIKEN. I understand that the Senator from South Dakota urges the committee to consider very carefully the matter of acreage exemption, with a view possibly to increasing it to 20 acres, thereby reaching a figure between the 25 acres fixed by the House and the 15 acres suggested by the Senate Committee on Agriculture and Forestry.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. YOUNG. In order to keep the record straight, as I understand the law, no farmer could plant 25 acres or 15 acres and get price support, unless he had a wheat-acreage allotment. He would be exempt from quotas, but he could not plant, 5, 10, or any other number of acres and obtain price support on his production, unless he had a wheat-acreage allotment for that number of acres.

Mr. AIKEN. That is right. He could not plant more than his acreage allotment, which might be under 15 acres and get price support on his wheat.

Mr. President, I should like to state briefly how this proposed legislation happens to be before the Senate today.

Whenever the total supply of wheat in this country exceeds by more than 20 percent, the amount needed for domestic consumption, plus the amount of estimated exports, plus 15 percent thereof as a reserve for carryover, the Secretary of Agriculture is required to proclaim marketing quotas for wheat.

On June 30 the Secretary, in compliance with the law, proclaimed marketing quotas would be in effect for the 1954 crop.

On the 1st of July this year, June 30 being the end of the marketing year for wheat, the carryover of wheat was about 580 million bushels, according to the best estimate now available. The crop report issued yesterday by the Department of Agriculture places production of this year's crop at 1,174,708,000 bushels. Imports during the marketing year which began this month are estimated at 5 million bushels, making a total supply for the current marketing year of over 1,759,000,000 bushels.

Domestic disappearance during the current marketing year is estimated at 690 million bushels, and exports may take another 315 million bushels, making the total consumption and exports for the current marketing year 1,005,000,000 bushels.

Deducting this from our total supply of 1,759,000,000 bushels, we see that the carryover on July 1, 1954 is likely to be in excess of 750 million bushels. This would represent more than a year's domestic consumption, and an increase of 170 million bushels over the carryover on the first of this month.

In the face of this supply situation it has become imperative that production be reduced if farmers are to receive a fair price in the market place, and on

June 30, in accordance with the law, the Secretary of Agriculture proclaimed marketing quotas for the 1954 crop of wheat. On the basis of the figures then available, the total supply for the 1953-54 marketing year appeared to be 148 percent of the normal supply. The crop report issued yesterday showed an increase of 42 million bushels over the crop report available to the Secretary on June 30.

It would appear that before marketing quotas for wheat can be put into effect on a fair and workable basis some revision of the law will be necessary if we are not to have economic trouble among wheat producers. The supply situation has reached such proportions that an acreage reduction sufficient to bring the supply down to normal in a single year might cause serious injury to the country's agricultural plant. Under the existing law the minimum national acreage allotment is 55 million acres. I doubt if that would bring the supply of wheat down to the normal supply in 1 year. Nevertheless, that is the minimum allotment which the Secretary can establish.

Mr. President, I might add that if the present law stands and the Secretary of Agriculture is required to reduce the crop of wheat to 55 million acres, it would represent more than a 30-percent decrease from the amount which was planted for this crop year. The committee felt that the effect of a 30-percent reduction in the acreage of this important crop in 1 year might have economic repercussions on a good many wheat farmers.

The pending bill, H. R. 5451, with the committee's amendments, is designed to remove the inequities in the existing law, modify it to reflect the changes which have occurred since quotas were last effective, and provide for a minimum national acreage allotment for 1954 only of 61 million acres, in lieu of the present minimum of 55 million acres.

We have differed with the House bill in that respect. The House bill provides for a minimum national acreage allotment of 66 million acres in 1954. However, there has been an increase in the estimated size of the current crop since they fixed the minimum at 66 million acres. In fact, the Senate bill, as introduced, called for a minimum allotment of 62 million acres. In view of the crop estimate, which was released at 3 o'clock yesterday afternoon, the committee felt that a reduction to 61 million acres would be advisable for the 1954 crop.

The acreage allotment of 61 million acres would represent a reduction of 17½ million acres from the 78,553,000 acres seeded to wheat for the 1953 crop, but a decrease of only 6 million acres from the amount which is expected to be harvested this year.

We have had a very large abandonment of planted wheat acreage this year. It is estimated that 18 percent of the winter wheat planted has been abandoned, as compared with the average for the past 10 years of 12 percent. That is the only reason we are not faced with a heavier carryover than what we actually have today.

It appears that next July we will have a carryover of about 750 million bushels of wheat. That carryover must be reduced not only for the good of the wheat farmer and the wheat program in the United States, but it must be reduced because this huge amount of surplus wheat that hangs over the market can seriously depress if not demoralize the world market for wheat.

We have already subsidized exportation of wheat under the wheat agreement, in the amount of \$600 million during the past 4 years. If we do not make a substantial reduction in the production of wheat, we will have one of two problems facing us—either a drastic reduction or abandonment of the wheat support program, or an increase in the subsidy on exports, which is already so high that there is considerable complaint.

I hope the Senate will agree to reduce the 1954 crop to 61 million acres. In fact, probably it would have been better if we had made it 60 million, or perhaps even 58 million acres. However, the chairman, for one, did not have the heart to go along with such strong medicine, even though in the long run it would have been better to do so. I believe we should have 2 or 3 years' time to work out of our predicament. Perhaps I should say it is a fortunate predicament to have such a heavy surplus of this commodity. If we tried to get out of it in 1 year it would be bound to create a great deal of hardship on many thousands of families who depend upon their wheat crop for their living. On the other hand, we are going from trouble into more trouble if we do not take steps which will result in getting us back to normal conditions ultimately.

Mr. YOUNG. Mr. President, I do not believe our wheat supply situation is too gloomy, particularly with reference to our surplus situation. It is true that we have had some sizable costs in the export of wheat. The International Wheat Agreement price of \$2.05 a bushel is too high, I believe.

I think we were very unwise in not setting the price at \$2 a bushel and thus bringing Great Britain into the agreement. Wheat at \$2.05 a bushel, when winter wheat is selling at \$1.65 a bushel, means that the United States Government could make a profit on its export of wheat, if it went into the cash market and bought wheat there, as it should.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. The United States Government cannot buy that wheat at \$1.65 a bushel, can it? It is obligated to pay \$2.21 a bushel, as I understand the situation.

Mr. YOUNG. Not from the American farmer. It could buy the wheat in the open market. If the Government does not have authority to do so, it should get the authority. That would stabilize the cash price and make possible a far lower cost in supporting the price of wheat.

I am not in agreement with the committee's action in reducing the wheat acreage to 61 million acres. Although the crop forecast of July 10 estimated an increased yield of about 40 or 60 mil-

lion bushels, that is not the whole story. Because of the tense international situation we would not want to reduce our supplies down to what might be called a normal supply of wheat. We are faced with a drought in the Southwest, and it is spreading. It could cause us real trouble in the future. We have had abnormally high yields of grain for the past 10 years. They have been higher than at any other time. We have had better weather conditions than we normally have. In the spring wheat area at the present time we have the earliest infestation of a new and very dangerous type of rust, known as 15 B. It is a far more dangerous type of rust than we have had in all our history.

The July 10 report is dated July 10. However, the findings were determined as of July 1. The next 2 or 3 weeks will determine whether we will have as big a spring wheat crop as is estimated—which would be the second highest in our history—or a very small one. During the years I have farmed, I have burned up thousands of acres of wheat that had looked very good just 2 weeks before it was harvested. The rust would eat up the stems and thus destroy the crop. So I put a match to the crop and burned it all off.

Mr. President, our present wheat acreage is 78,553,000 acres. The committee bill would give us 61 million acres. That is a cut of 22 percent. When we figure the 10-year average of abandonment of the wheat crop and deduct that from the 61 million acres, we have a total wheat crop for next year of 54,300,000 acres.

Mr. President, you can figure it any way you wish, but with our normal domestic needs, plus expected exports of 315 million bushels—and we ought to export much more—we will have a lower carryover next year.

That calculation is made under the most favorable crop conditions which we have had in the wheat area for years and years.

A drought is long overdue, and, of course, I hope it may never come. There are other crop producing problems facing us, too. We ought not to worry quite so much about surpluses, but find a way of taking care of them, and be thankful to God that we have them. The more we complain about surpluses, through the Department of Agriculture, and other sources, the more the price goes down, the more foreign countries are inclined to wait another month or longer to make purchases, and the more we increase our problem.

With the understanding with the chairman of the committee that we shall have a conference with the House on the bill, I shall not offer an amendment to increase the acreage allowed under the bill, which is 61 million acres. I think it would have been better if we had provided for 63 million or 64 million acres, but I believe that point can be ironed out in conference with the House of Representatives. Sixty-one million acres is just too low.

The House Committee on Agriculture has 33 members, and the entire House has 435 Members. Each one of them

must stand for election every 2 years, and each Member of the House usually serves on only one committee. The members of the House Committee on Agriculture make extensive studies of farm problems. I believe they are able to study those problems somewhat more thoroughly than are the members of the Senate Committee on Agriculture and Forestry, inasmuch as Senators serve on 2 or 3 committees.

I believe the House Committee on Agriculture was virtually unanimous in reporting their bill with 66 million acres, and I think the views of the members of that committee should receive consideration.

So I believe that in conference with the House of Representatives it will be possible to work out a good bill.

Mr. MUNDT. Mr. President, will the Senator from North Dakota yield to me?

Mr. YOUNG. I yield.

Mr. MUNDT. I should like to associate myself with the statement which has been made by the Senator from North Dakota [Mr. Young]. I wish to say that I associated myself with him in the committee, at the time when we supported a somewhat larger figure than 61 million acres, and I share with him the hope that in conference the figure now carried in the bill may be increased.

I do not believe the problem of controlling surpluses is to be solved by dealing with it solely on the production side. The pending bill represents a step toward taking action with our agricultural commodity surpluses on the production side; but before this session of Congress ends, I hope Congress will undertake to do something about surpluses on the use or disposition side—something realistic, something which will enable our government to make use of these large surpluses in terms of purchasing power, as, for example, by sending them abroad as token payments for noncompetitive critical and strategic materials which we need badly for our defense program.

Mr. THYE. Mr. President, if the Senator from North Dakota will yield, I should like to state that I am in support of the statement the Senator from South Dakota is making. The President's action yesterday in making available \$15 million worth of food to Eastern Germany may have a greater effect than the expenditure of many hundreds of millions of dollars for our national-defense program. By making our surplus food available to people of other lands, who are hungry and in dire need, we accomplish more, in terms of effect upon the hearts and minds of those people, than we could ever accomplish by means of defense preparations.

Mr. MUNDT. That is correct.

Mr. THYE. Therefore, I am 100 percent in agreement with what the Senator from South Dakota is advocating, because the use of cold dollars or cannon or bombs will not enable us to win the minds and hearts of men; but we can succeed in winning the hearts and minds of men if we give them food when they are hungry or give them clothing when they are suffering from cold. That is the most important step that can be taken

by Congress during the remaining weeks of this session.

Mr. MUNDT. The Senator from Minnesota is entirely correct, and I thank him for his contribution.

Mr. President, I associate myself very strongly and very definitely with the President's most constructive statement of yesterday. Not only is it important that we win friends abroad, but in the cold war in which we are engaged, it is important that our agricultural surpluses be used in such a way as to alleviate suffering. It is also important for us to remember that every commodity or product has a value to someone. It can be used for procurement, as a token payment. With it we can purchase some of the things we need.

It is important that consistent attention at high levels be paid to the problem of disposing of these agricultural surpluses.

In connection with the President's message of last week, in which he made a suggestion accompanied by a rather indefinite bill, concerning a program for utilizing our surplus agricultural commodities by making them available to foreign countries, I have already asked the staff of the Senate Committee on Agriculture and Forestry to prepare a proposed amendment in the form of an additional title, to the President's suggested bill. So, at the time when we vote on the President's suggestion, as represented by the bill, we shall be able to vote, I hope, upon a proposal to use in commercial activities and in commercial manners the agricultural surpluses we have.

I believe there is merit in the President's suggestion, but I believe it should be limited and defined. In my opinion we should specify the extent to which the President's proposed gift program can be used. Furthermore, I should like to see included in the bill a separate title which will make it possible to use agricultural surpluses to pay for commodities we need, and at the same time to place such surpluses in the hands of the persons who need them.

I wish to associate myself completely with the very constructive statement made by the Senator from North Dakota.

I desire to call the attention of the Congress and, indeed of all the people of the United States, to the fact that in connection with the pending measure we are speaking of planted acres. Regardless of whether the figure decided upon is 66 million or 61 million, we are speaking in terms of acres which are planted. Over a period of 10 years, there is an average loss of 10 percent between the number of acres planted and the number of acres harvested. In short, if 66 million acres are planted, the number of acres harvested, based upon the 10-year average loss, will be only 60 million; and if 61 million acres are planted, on the same basis the number of acres harvested will be possibly less than 55 million. We should keep that situation in mind, for it is quite obvious that during that 10-year period, there were some years in which the loss or shrinkage was greater than 10 percent.

The Senator from North Dakota and I are very happily aware that year after year after year in our section of the country there has been good growing weather, abundant moisture, and fine crops—in an area which not so very many years ago had consecutive years of drought. If the severe drought now visiting the Southwest should extend to an even larger area and should become more general in the next growing year, we might then indeed be happy if we had established a larger goal—for instance, 66 million acres—for in that case we might find ourselves harvesting perhaps only 45 million or 50 million acres.

We should not gamble too speculatively with the consistent average of shrinkage between acres planted and acres harvested. We should keep in mind that nothing but our own lethargy and our own inactivity and our own lack of imagination and vision prevent us from disposing of the surpluses we now have, by a process of purchasing for Americans things they badly need, and which we should be very happy to receive.

Mr. YOUNG. Mr. President, I thank the Senator very much.

The agricultural commodity surplus problem has been with us a long time. It is a nonpolitical problem. The Committee on Agriculture and Forestry is composed of very sincere members, who do not decide matters along party lines. Those of us who serve on the committee have constantly been trying to solve the problem of the agricultural price depressing commodity surpluses.

We recall that in the 1930's, beef was selling for about \$2.50 a hundred; hogs were selling for about \$1.50 a hundred; oats were selling for 6 cents a bushel; at one time the price of barley fell as low as 1 cent a bushel, in my State; and wheat sold for about 30 cents a bushel. But still millions of the people could not buy those commodities. I think the reason was that we permitted agricultural commodity prices to drop in 1928, and following that there occurred one of the worst depressions this country has ever experienced.

I, for one, do not believe we can afford to permit the prices of our agricultural commodities to drop, because I believe they are the key to our entire national economy. Nearly half the people of the United States live on farms or in small towns or in cities of less than 2,500 population. To those people, agricultural income means everything. They have a tremendous purchasing power for the good of the entire Nation. Even in some of the larger cities, such as Des Moines or Sioux City, with populations of 80,000 or 90,000, where there is practically no manufacturing, agricultural income is practically the only new income those people have.

We will never solve the agricultural surplus problem if we reduce wheat acreage 30 percent and cotton acreage 10 or 15 percent and if we make a corresponding reduction in corn acreage. The result would simply be to increase the pressure of surpluses in the case of other crops. There would be a natural

shift to other crops in connection with which we already have surplus problems.

If we are to have surpluses, I do not know of any commodities in which it is better to have them than wheat—which is the staff of life and is eaten all over the world—and cotton and corn. Those commodities can be stored, and their production can be controlled, and there is a worldwide demand for them.

Mr. AIKEN. Mr. President, will the Senator from North Dakota yield to me? Mr. YOUNG. I am glad to yield.

Mr. AIKEN. I wish to make two statements. First, let me say that some time next week, at a date which will be stated either later today or in time for the morning newspapers, I plan to have the Committee on Agriculture and Forestry consider the President's request for authority to use surplus agricultural commodities to relieve famine around the world and to promote international good will.

The other point upon which I should like to make a statement is that some time ago it appeared to me that a minimum national acreage allotment of 66 million acres in 1954, as approved by the House, would be fairly reasonable; but since we first began to consider a 66-million-acre allotment we have received two crop estimates. The one issued in June indicated an increase of 92 million bushels over the May estimate in the production of wheat this year. The crop report which came out yesterday indicated an increase of 42 million bushels more, making a total increase in the anticipated crop over the past 2 months of 134 million bushels. This represents the production of about 9 million acres, based on the 10-year average of 15 bushels to the acre, or of about 7 million acres based on the yield of the crops for 1952 and 1953. I think we have been getting about 18 bushels to the acre this year.

That has caused me to revise the proposed minimum national acreage allotment downward in realization that we may have to take a little more drastic cut this year than what we had hoped would have to be made. I do not want it to become necessary for the country to subsidize wheat production at \$1 a bushel. It is entirely possible that the price on the world market will go to \$1.50 unless the Congress takes steps to reduce our own production sufficiently so that the surplus will diminish instead of increase constantly.

This year there was a very heavy abandonment of land planted to winter wheat, an abandonment of 18 percent, which is far above the average. Much of it, of course, was within the drought area. Had there been a normal abandonment, we would probably have been confronted with another 100 million or 150 million bushels which would have been added to the surplus facing us today. I think we should not consider too lightly the effect of what we do on the world market price of wheat.

Mr. LANGER. Mr. President, will my colleague yield?

Mr. YOUNG. I yield to the senior Senator from North Dakota.

Mr. LANGER. Mr. President, I wish to compliment my distinguished colleague, the junior Senator from North Dakota, upon the very able statement he has made regarding the pending bill. There are few Members of the Senate who are better informed on the entire subject of wheat than is he.

The Senator mentioned the drought. During that period the Senator, who is a farmer himself, served on various committees in the State that were continually studying and investigating the wheat situation. The distinguished Senator was formerly a member of the Senate of the State of North Dakota, which also dealt with the problem. I know that if the pending bill is passed, no matter what figure we arrive at, whether it be 61 million or 63,500,000, my distinguished friend and colleague and myself will be in North Dakota urging the people to vote in favor of the referendum, and my opinion is that it will be overwhelmingly adopted.

Mr. YOUNG. I thank my colleague very much for his statement. We have worked very closely together for years on farm problems. If I may merely add a brief statement, I shall then yield the floor.

One reason for our having stepped up our agricultural production, making more food available for human consumption, is that within the past 20 years we have almost completed the transition from horse or mule farming to mechanized farming. On January 1, 1930, we had 19,124,000 head of horses and mules. As of this year, there are about 5 million head, or about 14 million fewer horses and mules.

It requires about as much to feed a horse or a mule that is working as it does to feed a cow. The reduction of approximately 14 million head of horses and mules has meant the release of millions of additional acres to produce food for human consumption. The transition from horse to mechanized farming is about completed; so we will not have many additional acres thus made available to produce surplus wheat and other crops for human consumption.

Mr. CAPEHART. Mr. President, I shall take only a very few moments. I merely wish to say that I have been in close touch with the raising of food crops for 56 years, having been born on a farm and having operated my own farm continually; and when I say "operated" I do not mean that I lease or rent it. I actually operate it myself and pay the monthly bills. So, when I speak on this subject, I think I know whereof I speak.

I believe the first thing we, as Americans, must realize is that if we are to have price supports, there will be years in which it will be necessary to have acreage allocations in effect. That is as evident as it is that we are sitting in the Senate, and I think that we, in the Congress, as well as the people generally, should realize it. I repeat, if we are to have price supports, there will be periods when it will be necessary to have acreage allocations.

Another thing which we in the Congress must recognize, and which all the people should recognize, particularly the

city folks, is that surpluses are good, not bad. The weaknesses of our support program are, in my personal opinion, the weaknesses of our farm program, namely, that we have not encouraged the farmers themselves to provide sufficient storage capacity to enable them to store upon their own farms the grain and other agricultural commodities they produce from year to year, in order that they might take advantage of the support prices.

Too many farmers have too limited storage facilities. Therefore, when they harvest their crops of corn, wheat, or soybeans they find it necessary to market them immediately. I think what the Congress ought to do is to help the farmers create additional storage facilities.

Another thing which we should do, in my opinion, is educate the American people, including ourselves, to the fact that surpluses are desirable. There is a large surplus of gold, but no one thinks anything about it. I believe that a surplus is fundamentally an inventory, no more and no less. At the moment the inventory of new automobiles in the hands of factories, and wholesalers and retailers, probably represents about \$3 billion. I do not have the figures on the surplus or inventory of goods in manufacturing, wholesale and retail hands, but it runs into billions and billions of dollars. So we ought to educate ourselves and all of the American people to the fact that surpluses are a good thing, not a bad thing, and that huge surpluses ought not to force down the prices to the farmers. I repeat, a surplus is a good thing. We do not find the prices of automobiles going down at this moment merely because there is on hand an inventory of \$3 billion worth of new automobiles.

Another thing I wish to say in respect to the pending measure is that I have no better plan to suggest than the one proposed by the able chairman and members of the Committee on Agriculture and Forestry. Therefore I shall vote for the pending bill. I should like also to say, in the most friendly way and with the most force I can possibly muster, to the Committee on Agriculture of the House, to the Committee on Agriculture and Forestry of the Senate, to all the Members of the Congress, to the President of the United States, and to all those in the present administration, that we dare not let farm prices go much lower than they are at present or there will be a depression in America. The prosperity of the Nation depends upon the prosperity of the farmer.

What is the farmer's income? It is the price he receives for each item of his production, each unit, meaning a bushel of wheat, or a bushel of corn, or a pound of beef, or a pound of pork, multiplied by the number of bushels or the number of pounds he has. That is the source of the money with which he must conduct his business.

Mr. President, I am able to stand here and state as a farmer who pays the monthly bills, not as a city farmer in the sense that I rent the land to someone else to farm, that today farm costs are increasing and prices for farm products are falling.

Mr. THYE. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. THYE. Mr. President, what the able and distinguished Senator from Indiana has said is an absolutely true statement of fact. Very few persons fully understand or appreciate the situation. Many consumers still have the idea that, because of the price-support legislation on the statute books, the producer is a very important person who is receiving more attention and more support from Congress than is any other person in the United States.

To illustrate how the costs to the producer have risen, let me say that I placed an order for a thousand-bushel steel granary last Saturday when I was in Minnesota. The dealer sent me a letter saying, "I cannot make delivery for the price which I quoted you."

The price on a thousand-bushel steel granary was \$343.85.

He said, "The price has gone up since I received the last quotation from the manufacturer. The price is now \$37 higher than the last quotation. Furthermore, I cannot obtain delivery for at least 2 weeks, and possibly 3 weeks."

The harvest is about ready to commence, and if that granary cannot be delivered within the next 3 weeks, the harvest will be practically over in that area.

So, Mr. President, what the Senator from Indiana has stated is true. We do not half understand the fact that the farmer today is operating on a declining price. Consider the price of beef. There is only one rosy picture in the entire farm situation, and that is with reference to pork. In the category of agricultural products pork is the only commodity the price of which has gone up in the past 14 months. The other prices have been sliding downward.

Beef prices must be raised because they are far too low as compared with other prices in the national economy.

So, Mr. President, I commend the able and distinguished Senator from Indiana [Mr. CAPEHART] for having made these very intelligent remarks relative to what the farmer is faced with because of increasing costs in his operations, whether they involve repairs, fuel, oil for his tractors, or new machinery. They are all higher than they were a year ago.

Mr. CAPEHART. Mr. President, I desire to say to the President of the United States, to the members of his administration, and to Members of Congress—and I am not trying to frighten anyone and I am not saying it in a spirit of knowing all there is to be known—that if farm prices in the United States continue to go down, down, down, and the prices of things the farmer must buy continue to go up, or even if they do not go up, but stay as they are, we shall have a depression in America which will equal that which occurred some 20 years ago.

I again say—and I say it in the most friendly spirit—that we had better pay a great deal of attention to this problem, because if we do not, it will get away from us, and, if it does, no one will gain.

Parity is the price which the farmer should receive for what he sells in proportion to the price of that which he

buys. I do not think anyone can successfully operate a farm if he has to pay 100 percent more for that which he buys and is forced to sell that which he produces for 50 or 60 or 75 percent less. As a farmer, I know I cannot do that. I pay bills every day on my farm, and I have been paying them for years.

Mr. President, I do not know that I have contributed anything of importance to the debate today. What I should like to see us do, if we possibly can, is to sell to the city folks and the businessmen of America the idea that their best customers are the farmers and small-town people who depend upon the farms for their income. If we let them down we are going to be in trouble, and when we get into trouble, as we learned in the past, the Democrats get hurt as well as the Republicans, and the Republicans get hurt the same as the Democrats. I am pleading with the agricultural committees of the House and Senate, and with the President of the United States. My opinion is that the biggest problem facing us today is falling farm prices.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. I am impressed by what the Senator has said and by the absolute logic of his position. I recall many times in the past hearing the able Senator make reference to the ratio between farm income and national income.

Mr. CAPEHART. The ratio is one to seven.

Mr. SPARKMAN. Yes. I wonder if the Senator saw a few days ago the Georgia Farmers' Market Bulletin, a copy of which was sent to each one of us by Mr. Tom Linder, agricultural commissioner of Georgia, in which he discusses the problem under the heading of "Farm Income Controls Jobs, Wages, and Salaries of More Than 60 Million Workers in the United States of America." He gives statistics over a long term of years which bear out exactly the statement which the able Senator from Indiana has made.

I wonder if the Senator would have any objection to my asking unanimous consent to have the article printed in the RECORD at this point?

Mr. CAPEHART. I should be delighted to have it made a part of the RECORD.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the article to which I have referred to be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM INCOME CONTROLS JOBS, WAGES, AND SALARIES OF MORE THAN 60 MILLION WORKERS IN THE UNITED STATES OF AMERICA
(By Tom Linder)

The combined incomes of the American people are seven times as many dollars as the farm income. This is a natural economic law and cannot be changed. If you are interested in a good income for yourself, you are equally interested in a farmer receiving fair prices. Read carefully the following and I believe you will be convinced.

I have before me Statistical Abstract of the United States for 1952 and back numbers issued by the United States Department of Commerce, Bureau of the Census, Washington, D. C.

According to the official record, on page 255 the national income is given for the years 1945-1950 inclusive. The total national income for the 6 years, exclusive of undivided profits, totaled \$1,240,565,000,000. For the 6 years there was an item of \$68,064,000,000 undivided profits. This gave a total national income for the 6 years of \$1308,629,000,000.

The national income is seven times the farm income. Stated in the reverse order, the farm income is one-seventh of the national income. If we take one-seventh of the national income for the 6 years, we should have the farm income for the same 6 years.

FARM INCOME

On page 572 of the same Government report for 1952 we find the farm income for the same 6 years, namely 1945-1950 inclusive, totaled \$185,390,000,000. When we multiply the farm income by seven we arrive at the figure \$1,297,730,000,000. The difference between the total national income for the 6 years and seven times the farm income for the 6 years is only \$10,899,000,000. The difference between the total national income and seven times the farm income is less than 1 percent. To state it another way, seven times the farm income for the 6 years amounts to 99 percent of the total national income for the same 6 years.

OVER THE YEARS IT HAS BEEN THE SAME

For 10 years I have been calling attention to this fact in various articles in the Market Bulletin. Some of the seed sown have fell on stoney ground. Others fell among briars and thistles. Some fell on good ground.

In the issue of the Market Bulletin for November 8, 1944, I have a tabulation of national and farm income for the years 1921-38, inclusive. For that 18-year period the national income amounted to \$1,192,600 million. Seven times the farm income for the same 18 years amounted to \$1,194,200 million, or almost exactly the same amount of money as the national income.

FACTORY PAYROLLS

In that article I also called attention to the fact that factory payrolls in the United States and farm income are almost identical. During the 18-year period farm income was \$170,600 million and factory payrolls were \$162,900 million. For the 18 years agriculture income plus factory payrolls were consistently almost 25 percent of the national income.

COMPARISON FOR 1950

On page 757 of the same Statistical Abstract for 1952, we find that all production workers in the major industry group received wages totaling \$34,565 million, while the farm income for the same year was \$33,232 million.

LARGE MAIL-ORDER HOUSES AND SOME OTHER BUSINESSES KNOW THAT NATIONAL INCOME IS CONTROLLED BY FARM INCOME

In other articles I have called attention to the fact that some of the largest merchants in the United States base their buying for future sales on the farm income. Their rule is very simple. They take the indicated farm income 12 months in advance and multiply it by 7 to determine the national income. Sixty percent of all income finally finds its way into the merchandise mart. Sixty percent of the indicated national income is the amount of money that merchants will handle. It, therefore, follows that the percentage of increase or decrease in national income will be the percentage in increase or decrease of sales in the individual establishment. Some big houses have been doing this for years and they have been the more successful merchants in the country.

TO COMPLAIN ABOUT A FARMER GETTING HIGH PRICES IS TO COMPLAIN ABOUT GETTING A HIGH WAGE OR SALARY YOURSELF—TO WISH FOR LOWER PRICES FOR THE FARMER IS TO WISH FOR LOWER WAGES OR SALARY FOR YOURSELF

This law of the national income being 7 times the farm income is a simple, natural law. The farmer produces raw materials. Our entire national economy is based on the production and use of raw materials. If we include all raw materials the same rule will hold, except that the ratio for all raw materials will be about 5 to 1 instead of 7 to 1.

All raw material producers taken together constitute a very large part of the market for finished products and processed products. Prices of finished and processed products are finally determined by the income of the consumers, including the producers of the raw materials. If the prices of finished products are raised out of line with prices of raw materials, the public cannot consume all the finished products and business begins to slow down and the national income begins to go down.

Of course, economists can get off into many details and get lost in the woods, but if you stick to these fundamental, simple facts they are so plain that "he who runs may read."

Year by year comparisons will show discrepancies because there is a time element involved from raw material to final consumption. Nevertheless, if any group of several years is taken together the time element is largely removed. The greater number of years used, the less discrepancy will be found.

I am sending a copy of this article to the President, Secretary of Agriculture, and to each Member of the Senate and House in Washington, because some of them are already familiar with this natural law but to some, perhaps, it will be new.

Mr. YOUNG. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. YOUNG. I wonder if the Senator would like to have inserted in the RECORD at this point figures which I have obtained from the Department of Agriculture and the Department of Commerce showing that since 1929 the national income has been almost exactly seven times the farm income.

Mr. CAPEHART. I should like to have the figures made a part of the RECORD.

Mr. YOUNG. Mr. President, I ask unanimous consent that a table containing the figures to which I have referred be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Gross farm income	National income
	<i>Billions</i>	<i>Billions</i>
1929.....	\$13.832	\$87.4
1930.....	11.420	75.0
1931.....	8.378	58.9
1932.....	6.400	41.7
1933.....	6.919	39.6
1934.....	8.019	48.6
1935.....	9.012	56.8
1936.....	10.349	64.7
1937.....	10.849	73.6
1938.....	9.591	67.4
1939.....	9.663	72.5
1940.....	10.196	81.3
1941.....	13.163	103.8
1942.....	17.942	137.1
1943.....	22.225	169.7
1944.....	23.337	183.8
1945.....	24.581	182.7
1946.....	28.195	180.3
1947.....	33.688	198.7
1948.....	34.263	223.5
1949.....	31.578	216.3
1950.....	31.603	239.2

Year	Gross farm income	National income
	<i>Billions</i>	<i>Billions</i>
1951.....	\$36.445	\$277.6
1952.....	36.982	291.2
Total.....	448.830	3,171.4

Average turn of gross farm income: 7.06.

Source of data: Agricultural income—Bureau of Agricultural Economics, U. S. Department of Agriculture; national income—Survey of Current Business, U. S. Department of Commerce.

Mr. CAPEHART. Mr. President, before I take my seat I should like to say that we should make certain, if it is humanly possible, that we do not permit farm prices to continue to go down, down, down, because if we do, God help all of us.

Mr. ANDERSON. Mr. President, I have listened with great interest to the statement of the distinguished Senator from Indiana. He has suggested that we must be careful not to let farm prices go down, down, down. It is not too difficult to find out what makes farm prices go down, down, down. It is surpluses. I tried to point out a few days ago that a surplus of 10 million cattle is causing trouble in the cattle market. If we want to know what has happened this year to the wheat business which makes the farmer take from 50 to 60 cents less than the support price, it is because there is a surplus of from 500 million to 600 million bushels.

Until we deal courageously with this problem, we shall continue to see prices go down, down, down.

Let us look at some figures. Why is it that the Secretary of Agriculture knows that he must put marketing quotas on wheat during the season of 1954? I am taking these figures partly from a Government publication known as the Wheat Situation, which was released on June 25, 1953, and partly from the figures of the Crop Reporting Board, which came out yesterday, July 10.

To begin with, the Secretary of Agriculture has to make two computations on wheat. First of all, he must decide whether to apply marketing quotas, and if he decides to do so, he must then decide what acreage allotment shall be made to farmers.

So I use two different sets of figures. They are not identical, but I think they are both important.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table, even though I hold it in my hand while I talk about it.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Wheat, 1953

(Data from BAE crop report, July 1, 1953)
[Million bushels]

MARKETING QUOTA, NORMAL (DEMAND)

Supply:	
Domestic (1952-53).....	670
Exports (1953-54).....	315
	985
15 percent carryover.....	148

Wheat, 1953—Continued

Supply—Continued

Normal.....	1,133
20 percent marketing quota.....	227
Total (supply).....	1,360

Supply:

Estimated carryover, July 1, 1953..	580
Estimated production, 1953.....	1,174
Imports.....	5

Total supply..... 1,759

ACREAGE ALLOTMENT, NORMAL YEARS

10-year adjusted average consumption:

Domestic.....	715
Export.....	360

30 percent..... 1,075
323

1,398

Less carryover indicated as of July

1, 1954.....	774
Production needed.....	624
Average yield (bushel).....	15
1953 indicated ¹ allotment.....	41.6

¹ If 190 million bushels are deducted for feed and seed, the production needed would only be 434 million bushels, which is 15 bushels per acre could be produced on 27 million acres.

Present law 55 million-acre minimum is too high by 13.4 million acres.

Mr. ANDERSON. Mr. President, in the first place, in calculating market quotas, we start with the factor of disappearance. We calculate the amount of wheat that disappears from the market in a year. Last year 670 million bushels disappeared for domestic use. That figure is of some interest, because a newspaper article which I read in, I think, the Chicago Tribune said that we do not need to produce a bushel of wheat in the United States in 1954, because there is already sufficient wheat to take care of all requirements. That statement is absolutely true. There could be a 100-percent wheat-crop failure, and still there would be enough wheat to take care of our domestic requirements.

In addition, the Secretary of Agriculture is required to estimate and add exports. In the year 1953-54 the exports were estimated to be 315 million bushels.

Then the Secretary is required to add a 15-percent carryover, or 148 million bushels. That makes a normal supply of 1,133,000,000 bushels.

As a factor of safety, the Secretary is required to add 20 percent to that amount, so that there will surely be enough wheat in this country. That produces a total figure of 1,360,000,000 bushels.

Against that, he must ascertain how much wheat there is in the country. As of July 1, 1953, the estimated carryover is 580 million bushels.

According to the outside cover of the Crop Production Release, dated July 10, 3 p. m., which was yesterday, and also according to figures on page 11, the estimated production will be 1,174,000,000 bushels of wheat. Imports are expected to be 5 million bushels. Actually, we have been importing more than that from Canada by calling it wheat unfit for human consumption, but we think

perhaps that leak has been plugged up. So our total supply is 1,759,000,000 bushels.

What will the demand be?

All that possibly could be required, with the carryover and the safety factor, is 1,310,000,000 bushels. So there can be no doubt in the mind of anyone that the Secretary of Agriculture, under the law, will be required to impose marketing quotas next year, since supply far exceeds demand.

When he imposes marketing quotas he switches over and follows another section of the law. He begins to determine how he will allot the wheat acres among the several States. First, he takes the 10-year adjusted average consumption—not last year's consumption, but the 10-year figure. In this particular instance the 10-year figure is high, because it includes not only the war years but also postwar years, when employment was high, earnings were high, and, therefore, purchases were high.

He must use as the domestic consumption figure 715 million bushels. Bear in mind that last year it was 670 million bushels. But he must use 715 million bushels in his calculations. In other words, he arbitrarily adds 45 million bushels more than he estimates the consumption next year will be because of the requirements of the law.

Then he must add the 10-year figure for exports. We all know that exports during the years following the war were extremely high. Therefore, he must add 360 million bushels for exports. No one believes the United States will export 360 million bushels, not even if we find other places like Pakistan. A few days ago the Senate passed a bill to give 30 million or 40 million bushels of wheat to Pakistan, in the hope that the surplus might be reduced a little. Yet in 10 days a new crop report shows that the amount of the crop has gone up 42 million bushels. In other words, we cannot give away our wheat as fast as it grows. So we estimate our exports next year at 360 million bushels, but we know they will not exceed 300 million bushels.

Adding those figures together, we get 1,075,000,000. Under the law, the Secretary is required to set aside 30 percent of that amount as a factor of safety, so that the American market will never run so short of wheat that proper housekeeping cannot be done with the wheat; in other words, that there will be enough on hand to be shipped to the mills in orderly fashion and for orderly processing into flour.

Accordingly we add 30 percent of the total amount, which is 323 million bushels.

We learned in the years when we were trying desperately to ship wheat to European countries that we could get by with a carryover of 83 million bushels. We tried to go down to 150 million bushels. We scraped to get down to 125 million bushels. Finally, in those days, the Secretary of Agriculture went down to 83 million bushels. As Secretary of Agriculture at the time, I did not enjoy that. But we did go down to 83 million bushels.

When we put down as a reserve factor 323 million bushels, surely we have put aside enough as a factor of safety. We could go to about 100 million bushels or 150 million bushels. In fact, legislation which came from the House of Representatives at one time carried a rider providing that the Secretary of Agriculture could never export wheat to such an extent that the domestic supply went below 150 million bushels. Everyone agreed that surely that was a safe figure. The amendment was not agreed to and the exports carried our supply 50 million bushels below that.

Then the carryover must be subtracted from that figure. The carryover estimated on July 1, 1954, is 774 million bushels. Subtract that carryover from total requirements of 1,398,000,000 bushels, and we find that the production needed in 1954 is 624 million bushels of wheat.

The average yield in 1952 was slightly in excess of 20 bushels for every harvested acre. The average yield this year will be somewhere in the neighborhood of 18 bushels for every harvested acre. But in this calculation we must use planted—not harvested acres. Therefore, we use the adjusted figure of 15 bushels to the acre, and to get 624 million bushels, we need only plant 41.6 million acres.

Think of it: it takes only 41.6 million acres of wheat to produce all the wheat this country itself uses, all the wheat this country can be expected to export, the 45 million bushels more estimated for domestic use than we are going to use, the 50 million bushels more estimated for export than we are going to export, and 300 million bushels as a factor of safety. All that can be obtained from 41.6 million acres.

If Senators want to know what will drive down the price of wheat in 1954, it will be the planting of 20 million or 30 million additional acres of wheat more than we need. The American farmer need not be misled. As I stand here, I am looking at the distinguished senior senator from Kentucky [Mr. CLEMENTS]. Kentucky raises a large tobacco crop. The Senator from Kentucky and I know what happens to tobacco when too much of it is produced. The finest agricultural programs in the United States have been those dealing with tobacco, because farmers in the Carolinas, Virginia, Kentucky, and other States, have so calculated their requirements and the requirements of the United States that they do not call upon the Treasury of the United States to handle all their surpluses. As a result, their prices are good. So long as that condition continues, we shall have a prosperous agriculture in the tobacco areas.

I was about to say to the distinguished senior Senator from Louisiana [Mr. ELLENDER] that the rice situation is not in bad shape. The rice farmers have kept production pretty well in line. Whenever farmers work with the Department of Agriculture and watch their production their prices are good. But any time we allow 7 million bales of cotton, a billion bushels of corn, and 600 million or 700 million bushels of wheat

to hang over the market, the American farmer knows what he will get. He will get reduced prices. We do the American farmer no favor when we give him extremely large acreages for his products and then say to him, "We are so sorry. You did not provide storage. We can only give you 72 percent of parity as a support price for your wheat."

Why should the American farmer be expected to develop tremendous storage capacities? The distinguished junior Senator from Kansas [Mr. CARLSON] was before the Agriculture Committee when we were discussing the question of wheat quotas. He and his very able and distinguished colleague from Kansas [Mr. SCHOEPPLE] realize that in part the trouble of the wheat farmers was due to the fact that there were no marketing quotas on wheat last year.

I read into the RECORD figures that indicated the need for wheat marketing quotas for 1952 just as the figures indicate such a need for 1953.

Why should the American farmer, when he has not been compelled to plant under acreage limitations be told, "It is your fault that you did not find storage," or "it is the fault of some other agency that did not find the storage for you."

I think the fault very definitely lies with the Congress when we say to the farmer that he may produce wheat beyond what can be consumed and beyond what can be stored.

Mr. CASE. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. Let me finish one thought, and I shall be happy to yield.

The present law, which establishes 55 million acres of wheat as a minimum, provides 13.4 million more acres of wheat than we need. We know it. That acreage, producing 15 bushels to the acre, is bound to give us nearly 200 million bushels more than we need, which will be added to the 323 million bushels which we regard as a factor of safety. We add 200 million bushels, so that we can have 550 million bushels or 600 million bushels of wheat hanging over the market and driving down the price of wheat for the American farmer.

The law says—and I do not blame the Secretary of Agriculture if he does not administer this section of the law; I think it may be a mistake to have it on the books—that he must deduct also the amount used for feed and seed. That amount is going to be 190 million bushels. If we deduct that amount, the amount needed to be produced in 1954 is only 434 million bushels; and, at 15 bushels to the acre, all the wheat we need to plant is 27 million acres. If we plant 55 million acres, we are planting 28 million acres more than we know we are going to need. Therefore, every bushel of wheat produced on that huge acreage hangs over the market and drives down the farmer's price.

I recognize what would happen to the economy of the country if we suddenly started to mark down the wheat acreage to 27 million acres. I realize what would happen to the economy of the country if we tried to put it at only 41.6 million acres. That is why I have been willing to go along with the committee on a

figure which I think is 6 million acres too high. The figure in this bill is 61 million acres. I would greatly prefer 55 million acres, which I think is the proper figure.

I do not like to hear it suggested that when the bill goes to conference everything will be ironed out smooth. I think Senators should know that if a bill comes back here for 64 million, 65 million, or 66 million acres, the kindest thing any Senator can do for his farmers is to vote down such a conference report and refuse to have anything to do with a settlement which would mean that we would hang another 100 million bushels of wheat around the necks of the farmers, and then say, "If prices go down we may have a depression."

I am not trying to be critical of the Senator from Indiana [Mr. CAPEHART]. He was as right as he could be when he said that if agricultural prices continued to slump we could have a depression. We learned that in 1921. We learned it in 1928 and have seen it year after year after year. But why do we have to find it out over and over and over again? Can we not profit by our experiences? Why do we not try to hold supplies at a reasonable figure, so that we do not have to try to find out afterward what caused the depression?

That is all I hope the Senate will do.

I thank the Senator from South Dakota for indulging me. I now yield to him.

Mr. CASE. Mr. President, it is not indulgence. It is always a privilege to listen to the Senator from New Mexico speak from his knowledge and experience on questions of this kind.

However, the Senator from New Mexico submitted considerable evidence to support the thesis that we should have had wheat quotas and acreage allotments last year. It necessarily follows from that that if we had had them we probably would not have had such a large carryover, and our problem today would not be quite so acute. Why did we not have quotas last year?

Mr. ANDERSON. The proper person to whom that question should be addressed is the person who decided that we would not have them last year. The answer which was given was that there was an emergency in Korea. Our officials did not know how far the war would spread. Therefore there was a national emergency which required us to set aside wheat quotas. I was one of those who believed that it should not have been done last year.

The junior Senator from Kansas [Mr. CARLSON], who raised the question in his testimony, heard me speak with frankness on this point. I am not trying to conceal the fact that I think there should have been quotas last year, but I do not believe that the failure of someone to impose wheat quotas, or rather, I should say, the fact that someone decided, as a matter of judgment, that we should not have wheat quotas last year, removes from us in any way the responsibility to see to it that the acreage planted in 1954 does not further bankrupt the farmers of the Nation.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. FERGUSON. Can the Senator from New Mexico tell us whether or not, under the law, the Secretary was authorized to avoid putting quotas in effect last year?

Mr. ANDERSON. Yes; he was.

Mr. FERGUSON. Is it purely a discretionary matter?

Mr. ANDERSON. I do not wish to read the law to the Senator unless he desires to have me do so. I merely say to him that the Secretary of Agriculture, when he comes to apply these quotas, shall look at the set of figures which I have used and reach a decision.

Mr. FERGUSON. Do the figures show that he should have imposed quotas?

Mr. ANDERSON. Perhaps I should place the figures in the RECORD.

Mr. FERGUSON. I think that would be well.

Mr. ANDERSON. The figures for last year are something of this nature:

First of all, the Secretary must figure whether he is required to establish quotas. To do that he starts, again, with supply. The domestic requirements were expected to be 715 million bushels. Exports were estimated at 375 million bushels. They did not reach that amount, but that was all right. He had to take the best estimate he could get, at that time, and the best estimate he could get was 375 million bushels, which resulted in a total demand of 1,090,000,000 bushels.

To that he must add a 15-percent carryover, which became 163 million bushels, or a total of 1,253,000,000 bushels.

To that he must add the 20 percent factor of safety which I mentioned a moment ago. That runs 251 million bushels, or a grand total of demand of 1,504,000,000. Then the Secretary of Agriculture is required to estimate supply. First he takes the carryover, which as of July 1, 1952, was 248 million bushels—think of it. We jumped from 248 million bushels to 600 million bushels or 700 million bushels, and then we wonder what caused wheat prices to go down.

As I say, as of July 1, 1952, the carryover was 248 million bushels. The established production for 1952 was 1,326,000,000 bushels. Imports were estimated at 30 million bushels, or a total visible supply of 1,604,000,000 bushels. That happened to be just 100 million bushels more than he needed. Therefore, wheat quotas were called for.

Under section 371 (b), the Secretary may make a determination that the national emergency is such that, even though quotas are called for, he may set them aside. I have asked the Department to furnish me with a table showing how that decision was reached. I have a letter from the Department which I have placed in the record in the wheat hearing. I think all those who were present will recognize that it is not too convincing. Nevertheless it was a matter of determination and judgment. I am not trying to question the judgment of the person doing it. I merely say that

it was a mistake; that we should have had wheat quotas on the 1953 crop. We would have saved the farmers of the country billions of dollars in the long run, because they would not have had to go through these violent adjustments, which no one regrets more than I do.

I do not criticize the distinguished Senators from North Dakota or the able Senators from Kansas, great wheat-producing States, for trying to prevent the economy of their States from being wrecked. They are doing the right thing. I only say that, if we get these figures too high, those States will continue to be wrecked year after year after year by the quantity of wheat which hangs over the market.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CARLSON. Would not the distinguished Senator from New Mexico agree with me that, had we had a reasonable reduction in wheat acreage allotments last year we would not have this bill before the Senate today?

Mr. ANDERSON. Yes. I should say that we would probably not have it, and I believe we would not have it.

The Department of Agriculture asked that 72 million acres of wheat be planted in 1953. It felt that the farmers would accept that goal, and that they would plant only 72 million acres. But the crop production figures on page 11 of the July 10 report show that the acreage of wheat seeded in the fall of 1952 and in the spring of 1953 was 78,553,000 acres, which exceeded the amount seeded in the fall of 1951 and in the spring of 1952.

So we exceeded what was indicated when we should have cut it down to about 65 million acres. The Department set a goal of 72 million acres, but the farmers responded with 78 million acres.

When that happens we naturally hear stories of wheat being stored on the ground, wheat being stored in city streets, the failure of the price support system to work, losses to the Federal Treasury, and bills which suggest that wheat be given away.

Mr. President, wheat is a fine food. It is something farmers are proud to produce. It is something that should be sold. It is not something we should give away. Any time we produce an agricultural commodity and say the only thing we can do with it is to give it away we degrade the product and destroy the farm program.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the very fine Senator from Kansas.

Mr. SCHOEPPPEL. I thank the Senator from New Mexico. The distinguished Senator from New Mexico said a moment ago that the Department fixed a goal of 72 million acres, and the farmers responded by making or preparing for a wheat-seeding crop of 78 million acres.

Mr. ANDERSON. Seventy-eight million five hundred and fifty-three thousand acres.

Mr. SCHOEPPPEL. Does the Senator from New Mexico agree with me that that was a pretty large jump, and that probably the reason for some of the in-

crease was the anticipation on the part of many farmers that acreage allotments would be in the making and that probably it would be to some advantage to them to have the greatest acreage they could possibly have, in order to use it as a base. Is that not part of the whole picture?

Mr. ANDERSON. Yes. There is no question about it. I agree fully with the distinguished Senator from Kansas. Any time it comes to making a tight decision that could be handled either way, and we say, "Well, we will put it off," or "We will do it next year," the tendency in everyone's heart is to say, "I will get myself set for next year. I will plant as much as I possibly can. When I have planted as much as I possibly can maybe they will pass some relief legislation providing that a farmer shall not be trimmed down more than 25 percent of his last year's planting. If so, I will be right back where I was before."

I believe that happened. I do not blame the farmer for its happening. I say if the Department of Agriculture had courageously put quotas on when it should have put them on, we would have had 6½ million acres, probably actually 12 million acres less, and perhaps even 15 million acres less.

That would mean that we would have 225 to 250 million bushels of wheat less on the market. We would not be trying to find a storage place for it, and the farmer probably would have received as much for 250 million bushels less wheat as he will get for his very much larger production. All over the land farmers will be penalized because they do not have storage facilities.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield further.

Mr. SCHOEPPPEL. If the Senator from New Mexico will indulge me further, I know what he has just said is absolutely correct. As the Senator knows, my colleague from Kansas [Mr. CARLSON] and I represent one of the greatest wheat-producing States in the country.

Mr. ANDERSON. The biggest one of all.

Mr. SCHOEPPPEL. It is not easy for us on the floor of the Senate to indicate or to have to come to the realization, much less make a decision, on a matter of great importance to our State which means that wheat acreages must be cut and thousands of our agricultural people must reduce their wheat acreages. We realize that some cuts must be made, and that we must take some cuts, but I cannot agree to go as low as many would like to go. We must give the Secretary of Agriculture the right, in a limited way, in the best interest of the wheat industry itself, to require reductions that are fair and reasonable when we have such commandingly large surpluses piling up, which, if continued, will add to our difficulties and plague us. We must be forthright and practical. This bill is a step in the right direction. As has been pointed out it should have been passed last year, but

we are confronted with the future, not with what is in the past.

Mr. ANDERSON. The Senator should not say that we must give the Secretary that right. He has that obligation. I went to the American Farm Bureau Federation meeting in Seattle last December, and I said to them, "The Department of Agriculture must make the announcement that we must establish wheat quotas next year."

It was obvious what would be needed and it was obvious what we must do.

I am saying it in the finest spirit to the Senate when I say that the Secretary should follow out what the law says and not heed importunities to leave off quotas for next year.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. The fact is, is it not, that the wheat farmer overplanted the goal by 6½ million acres because he was secure in the knowledge that there would be no penalty imposed upon him? Furthermore, had the Secretary felt that 72 million acres or less was the amount which was required, he could have insured compliance with that goal by imposing acreage allotments and quotas, as required by law. I almost said as permitted by law.

Mr. ANDERSON. As required by law.

Mr. AIKEN. As required by law. Marketing quotas were required by law as soon as the Secretary found an oversupply of wheat existed.

What he found was an emergency to exist in reverse, so far as wheat is concerned. However, the farmers were reassured. We all heard reports a year ago that farmers were advised to pay little attention to the goals; that there would be no penalty imposed on them if they exceeded them.

Mr. ANDERSON. I will read what the law provides. I believe we should look at the law because it illustrates how carefully we tried to make sure that the policy is not just one of whim. I am quoting from section 371 (b) of the Agricultural Adjustment Act, which is found on page 70 of the Compilation of Agricultural Acts issued by the Department of Agriculture as of January 1, 1953:

If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, any national marketing quota—

The export demand is going down, not up—

should be increased or terminated, he shall cause an immediate investigation to be made to determine whether the increase or termination is necessary in order to effectuate the declared policy of this act or to meet such emergency or increase in export demand.

I have tried hard to find what investigation was made. I am not sure what investigation was made. Apparently 2 or 3 people in the Department were asked their opinion and that was the end of it. If anyone can find what investigation was made, I will be indebted to him.

The provision further says:

If, on the basis of such investigation, the Secretary finds that such increase or termination is necessary, he shall immediately proclaim such findings (and if he finds an

increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota shall be increased or shall terminate, as the case may be.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I should like to substantiate what the Senator has stated. In the committee hearings, it will be recalled, we were unable to determine if an investigation had been made; and, if so, by whom. So far as I could find out the decision to declare an emergency was reached in the Secretary's office. Even the officials themselves could not say that they had made an adequate investigation.

Mr. ANDERSON. I would be very glad to submit for the RECORD a letter dated June 10, 1953, which was in response to my letter of May 14, relative to the decision of the Department not to establish marketing quotas and acreage allotments for the 1953 wheat crop. I ask unanimous consent to have the letter printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C. June 12, 1953.

HON. CLINTON P. ANDERSON,
United States Senate.

DEAR SENATOR ANDERSON: This is in reply to your letter of May 14 relative to the Department's decision not to establish farm acreage allotments for the 1953 wheat crop.

The records of the Department indicate that prior to issuing the proclamation dispensing with marketing quotas and acreage allotments on the 1953 crop of wheat, the Production and Marketing Administration made a comprehensive study of the supplies and requirements of wheat for the 1952-53 and 1953-54 marketing years. This study indicated that the imposition of marketing quotas and acreage allotments would have resulted in a national wheat acreage allotment for 1953 of 65.5 million acres which would have been about 6.5 million acres below the indicated acreage needed to produce an amount of wheat adequate to meet estimated domestic and export requirements in 1953-54 and to maintain a relatively large reserve of carry-over supplies for meeting unforeseen emergencies. The 72 million acres of wheat determined as needed in 1953 represented an acreage which was from 3.5 to 5 million acres below the range of wheat acreages recommended by State agricultural mobilization committees under the 1953 production goals program.

The records also indicate that at the time the proclamation was issued, exports of wheat were being maintained at a relatively high level and that there was an apparent need for maintaining reserve supplies of wheat sufficiently large to meet unpredictable situations arising from a continuation of hostilities in Korea and unsettled political conditions elsewhere in the world.

The supply and requirement figures used in determining the wheat acreage needed in 1953 were determined by a departmental supply estimates committee which is composed of specialists from various agencies of the department whose activities are in the field of either production or utilization of wheat.

The records also contain a statement of economic justification which was submitted in support of the proclamation, including the accompanying memoranda from the Production and Marketing Administration and

the Office of the Solicitor of the Department. These records can be made available for inspection by you or your representative, if you so desire.

Your interest in the production adjustment programs for wheat is appreciated, and if I can be of further service to you please feel free to call upon me.

Sincerely yours,

CARL D. MORSE,
Acting Secretary.

Mr. CARLSON. Mr. President, the Senator from New Mexico has called attention to the fact that last year the goal was 72 million acres, but the farmers planted 78,553,000 acres. I wish to say that Kansas is not responsible for that increase. As a matter of fact, in Kansas in 1952 our farmers planted 15,600,000 acres; and in 1953, 15,068,000.

Mr. ANDERSON. I am glad to have the Senator from Kansas clear his State of responsibility in that connection; but it was not my purpose to single out any State or to pick on any particular State by saying, that the people of that State planted more than they should have.

My purpose was merely to say that whenever we fail to compel the farmer to reduce his plantings to a reasonable amount, he eventually pays for our failure. We should reduce this figure to a reasonable and proper one.

Mr. President, I have spoken this afternoon because soon, after we have dealt with wheat, we shall deal with corn, cotton, tobacco, and many other commodities.

The corn situation is such that I believe it deserves a moment of our attention at this time. I merely say that the corn production for this year is tremendous; this year's corn crop will be one of the great corn crops of all time. The crop production report—I had some other figures, which might have been used, but this one will do—indicates that as of July 1, 1953—this figure was released yesterday afternoon—the anticipated corn crop is 3,336,501,000 bushels. Last year's crop was 30 million bushels below that. The 10-year average is 300 million bushels below that. The corn storage facilities all over the country are crowded. The corn farmers will be faced with the problem of what to do with their crop. Since the storage facilities are jammed, why are not the feed lots in Iowa filled with livestock, including livestock from the Texas ranges and some of the livestock from Oklahoma that we have recently heard so much about? Why are not the farmers in that area putting such livestock into their feed lots? The answer is that they are not putting that livestock into their feed lots because those farmers are not stupid. After all, why should a farmer feed corn to a steer in his feed lot and take a chance on the market price of the steer, when he can sell the corn to the Government for more money than the amount which would come to him as a result of feeding the steer? Why should the farmer take that chance?

So long as there is a surplus of livestock, the farmer will continue to produce corn for the Treasury, and not for the trade. Until we arrange these farm programs in such a way that the farmer produces for the trade, and not

for the Treasury, we do the farmer no service, but on the contrary we wreck him as rapidly as we can.

Mr. YOUNG. Mr. President, will the Senator from New Mexico yield to me, to permit me to ask several questions?

Mr. ANDERSON. I yield.

Mr. YOUNG. Is it not true that this year the Department of Agriculture asked the farmers to increase their corn crops?

Mr. ANDERSON. That is true. I wish to say to the Senator from North Dakota that my attitude on this matter has not changed for years. The first thing I did when I was privileged to enter the United States Senate was to see if we could try to establish a decent cotton-acreage program, for the benefit of the Cotton Belt. Every Senator I approached on that matter participated in it, and every State to which I appealed participated in it. Other groups were working on that program long before I did; I am not trying to take credit for what was done.

But I say the cotton-producing States of the United States, by cooperation and by give-and-take, finally were able to have a decent law passed, with the result that cotton quotas were established on a better basis.

If we had failed to use the cotton quotas when the need for them came in 1950, I would have criticized the Department of Agriculture.

I say now that I do not attempt to justify or explain the failure of the Department of Agriculture to impose corn quotas last year, nor do I attempt to excuse the fact that the Department of Agriculture asked the corn farmers to increase production when no increased production was needed. The Senator from North Dakota is completely correct.

Mr. YOUNG. Mr. President, will the Senator from New Mexico yield once more to me?

Mr. ANDERSON. I yield.

Mr. YOUNG. About a year ago the hog producers were in price trouble. I received many letters, even some from the State of Iowa, requesting lower prices on corn. However, if there had been lower prices on corn last year, the result would have been to accelerate the production of hogs, with the result that now there would be a great surplus; and in the same way there would have been an accelerated feeding and production of cattle, so that at this time there would be an even greater surplus of cattle.

Mr. ANDERSON. I am not certain about that situation. Any time the corn-hog ratio goes above 12.8 at Chicago or 13.7 Corn Belt, we begin to change the whole hog-production figure. But the present situation is, as the senior Senator from Minnesota so well pointed out at the hearings the other day, that even while cattle prices are tumbling, hog prices are at almost an all-time high. I believe the distinguished Senator from Minnesota said they were \$26.75 last week.

Mr. THYE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am glad to yield.

Mr. THYE. Last week the price of hogs was \$26.75—the highest since the calendar year 1948.

Mr. ANDERSON. That is correct. Hog prices are up, at a time when there is a tremendous amount of beef on the market. What is the reason for it? There is a shortage of hog production. Why is there a shortage of hog production? It is because the farmer would prefer to sell his corn to the Treasury, rather than use it for feeding hogs, for in the latter instance he would be faced with the possibility that the price of hogs would decline.

Mr. BARRETT. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. BARRETT. I quite agree with the statement made by the junior Senator from New Mexico. It seems to me that the present support price on corn results in lowering the price that can economically be paid for feeder cattle. Under the loan program the farmer can get \$1.58 a bushel, and so the corn that is fed to steers in our section of the country costs about \$3 a hundred. If a feeder buys a 700-pound steer and wishes to put 300 pounds on the steer in order to finish it off for the market, he must feed the steer for a period of about 150 days, feeding about 20 pounds of corn a day, taking a total of about 3,000 pounds of corn to put on the 300 pounds of weight. The corn would cost \$90. The farmer has other expenses in connection with the feeding operation, and he also must pay the shipping cost, and he must take into consideration the possibility of a little death loss. In addition, he must make a profit.

Mr. ANDERSON. He must also pay the labor cost.

Mr. BARRETT. Of course, the Senator is entirely correct. The end result of the entire operation is that the price of corn is fixed, the farmer's labor costs are fixed, the farmer's transportation costs are fixed, and the price the farmer will receive for the finished product at the market place is fixed. The market at the present time for a finished 1,000-pound steer is 21 cents a hundred. The feeder knows that he will get \$210 for his steer when he ships it to slaughter. He knows that the corn will cost \$90 and that labor, shipping, and other costs, with \$15 for a little profit, that his costs will total about \$115 so he is limited in the amount he can pay the grower of about \$95 roughly, about 14 cents per pound. So the only "give" to the entire operation is the price the feeder will pay to the grower or producer of the feeder steer.

Thus we in the mountain west find ourselves in a predicament. The feeders will be coming to the growers this fall and say to them, "We have to buy these feeder steers at a mighty low price if we are going to make any money." They will probably say that they will leave their corn in the bin if they do not get the steers at their price. The end result probably will be that the producers will be forced to take from 14 to 15 cents a pound for the feeder steers and that price is much less than the cost of production so it appears to me, Mr. President, that the growers will take the jolt.

Mr. ANDERSON. I thank the distinguished Senator from Wyoming for

that contribution. I agree with him completely. I say to him that the situation is one in which the man who seems to be paying right now is the man in our western area who is crying for help. He knows what the situation has done to him.

Until we deal with some of these problems, he will continue to know what is happening to him.

This brings up the question of flexibility of price supports, as opposed to price fixing—a matter which I hope we shall discuss at great length before this session ends. But the problem of the cattle producer cannot be handled with the present rigidity we have in our price supports.

Mr. BARRETT. Mr. President, if the distinguished Senator from New Mexico will yield further, let me say there is another alternative if rigid price supports on corn are continued. The Commodity Credit Corporation could take some of its old corn in the stockpile and crack it and sell it to the feeders at a discount of 30 or 40 percent and if that were done the feeder would be in a position to pay the growers 16 or 17 cents per hundred for the feeder steers and take less for his finished steer in the marketplace and still be ahead.

If that were done, there would not necessarily be a loss to the people of the country as a whole, since the consumers would get better and cheaper meat than otherwise.

Mr. ANDERSON. Mr. President, I agree with the Senator. I think we shall discuss some of those questions at a subsequent date. I did not want to talk as long as I have talked today. I merely intended to call the attention of the Senate to the fact that we do the farmer, particularly the wheat farmer, no great favor when we give him a large acreage allotment that only helps to add to the carryover of wheat, and makes certain that the only customer for his wheat will be the Treasurer of the United States. Some day we are going to have to realize that our farm programs do not work when the Treasurer of the United States is the chief purchaser. I hope we shall hold the acreage figure in this bill down to such a point that the wheat program will work.

The Senators from Kansas and North Dakota know that I have reluctantly gone along with the committee in its figure of 61 million acres. I imagine that the distinguished junior Senator from North Dakota, and probably also the senior Senator, and I know that both of the Senators from Kansas, would like to see a higher acreage figure used, because their problem is a very difficult one. I am suggesting to Senators, however, that they do not form a conviction that the conference report is going to provide a large increase in 1954 wheat acreage, because the wheat quota must be proclaimed by next Wednesday, and there certainly ought to be the toughest kind of a fight before we ever permit an amount of acreage provided for in this bill which would, in my opinion, further disturb the wheat market of the United States.

Mr. CARLSON. Mr. President, it may not be wise for me to speak on this sub-

ject after the remarks of the distinguished Senator from New Mexico, who has studied the wheat allotment acreage problem for many years. I appreciate the Senator's kindness, and his interest in the problem within the Wheat Belt, manifested by his having accepted the figure of 61 million acres included in the pending bill.

The citizens of Kansas have a very vital interest in this piece of legislation. Kansas has one-fifth of the wheat acreage of the Nation. We produce one-fourth of the winter wheat. If the proposal that is now being considered were adopted, it would seriously cut the production in our State, and it would work hardship to many of our wheat producers.

I may say that for a 10-year period the average wheat acreage in Kansas has been approximately 15 million acres. If the suggestion to make the total 55 million acres were followed, as provided in the existing law, and which, of course, is not covered in the pending bill, it would give Kansas 10,624,599 acres, or a reduction of 33 1/3 percent. If we followed the suggestion of 61 million acres, as provided in the pending bill, Kansas would have 11,783,646 acres. That also represents a very great reduction, a reduction of more than 20 percent. If we followed the proposal of 62 million acres, as provided in the bill introduced by the chairman of the Committee on Agriculture and Forestry, Kansas would have an allotment of 11,976,820 acres, a reduction of more than 3 million acres. If the figure of 66 million acres is taken, that being the figure in the House bill, Kansas would be permitted to plant 12,749,518 acres, a reduction of approximately 20 percent.

I wish that Senators would keep in mind the fact that when we ask our wheatgrowers in Kansas to make a 20-percent reduction, it works some economic hardships on persons who have to deal with the problems involved. The costs are going to be the same, or there may possibly be an increase, as mentioned by the distinguished Senator from Minnesota [Mr. THYE].

Let us assume that we were to ask the automobile industry to cut back its production 20 percent. People would be thrown out of employment, and it would have a very serious effect upon the economy of certain sections of the country. That would be true particularly with respect to industries engaged in the manufacture of refrigerators and similar items. Yet by the pending bill, if we adopt the Senate proposal, we shall be asking our wheatgrowers to cut production back 20 percent, or a little more. It seems to me that that would be a very serious reduction to ask them to make at this time. Therefore, I sincerely urge that when the bill goes to conference consideration be given to increasing the acreage allotments.

I think I should mention also the fact that I have been in touch with the Department of Agriculture in regard to this problem, and the Department has made certain estimates based on the two bills which were introduced, the Senate bill, which provided sixty-two million by way

of acreage allotments, and the House bill, which provided sixty-six million.

The administrative and accounting work connected with notifying the States and counties of the allotment acreages would be a real problem. If the Senate proposal of an allotment of 61 million acres were approved, it would mean that the Department of Agriculture would have to make a new start with respect to the accounting process, and that would take considerable time. They must promptly communicate the acreage allotments to the counties and to individual farmers.

For the reasons stated I therefore sincerely hope that serious consideration will be given to the problem of determining whether the figure shall be 61 million, 62 million, or 66 million. Someone may say, "Oh, well, they can get busy and revise the figures." That is true, but the quotas must be set by July 15, and the allotments must be made by August 14. It presents a real problem to the farmer. In my opinion, a great deal of work will be involved in carrying out the program. When the farmers are asked to cut back their acreage 20 percent, I am of the opinion that many of them will not vote for it on that basis.

In fairness, I may say that in many States a two-thirds vote would be required. The farmers will not be asked to vote on this question on a majority basis; a two-thirds vote will be required in order to carry the acreage allotments. Therefore, I would ask that the Senate be as generous as possible in working out the increased acreage allotments for the farmers. We are appealing to the committee to see whether it will be possible in conference somehow to increase the acreage allotments, in order to assist the farmers; so that they certainly will not be required to make a 20 percent reduction or more this year.

It has been stated that there is a surplus, and that is true; but there has also been a great drought in the wheat-producing section of the Nation. The farmers in the State of Kansas last year produced 308 million bushels of wheat. This year, according to the figures issued yesterday by the Department, the production is estimated at 130 million—about a third of the crop, or a little more than a third. A similar situation exists in Oklahoma and Texas. Texas is a great wheat-producing State. In fact, the reductions in Texas and Oklahoma would be very much greater in total volume than in Kansas. I therefore appeal to the members of the Senate Committee on Agriculture and Forestry who will be on the conference committee to keep in mind what I have said when they begin to work out an adjustment between the Senate and House.

Mr. President, I appreciate very much the committee's having reported the pending bill. I think it important that we begin to make plans to overcome the great surplus production of wheat. I am one of those who believe that if we are to solve the problem by means of guaranteed prices or with price supports there must go with it an adjustment of acreage. But at this time we are caught in a difficult situation, because of the con-

dition mentioned by the distinguished Senator from New Mexico. We did not have quotas last year, and we planted a larger acreage than we should have. It is therefore rather difficult to solve the problem. It should be kept in mind that, had we not had this legislation before the Senate, and had the allotment of 55 million acres been in effect, the reduction would have been 30 percent. I do not think we can ask the farmer in this country to cut his production 30 percent in 1 year. In fact, we cannot afford to do it.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point two letters which I wrote to Hon. Walter Huard, Grand Forks, N. Dak., dealing with the entire problem which is now under consideration.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HON. WALTER HUARD,
Grand Forks, N. Dak.:

This acknowledges your letter of April 29, 1953, concerning the 1954 wheat acreage-allotment and marketing-quota program of the United States Department of Agriculture. You state that you have been since 1948 following practices recommended by the Soil Conservation Services consisting of strip cropping, contour farming, and a rotation of summer fallow and wheat, and that you are fearful that the USDA will again base wheat acreage allotments on previous wheat acreage rather than total cropland available for wheat. You state that the acreage cut which you would likely be required to take if allotments are based on past wheat acreage would nearly put you out of business.

As you probably know, wheat acreage allotments and marketing quotas are provided for under the Agricultural Adjustment Act of 1938, as amended. The Secretary of Agriculture is required by law to proclaim a national acreage allotment designed to supply enough wheat for our consumption and export needs plus a carryover allowance. That allotment is apportioned to States and counties under the act on the basis of wheat production during the preceding 10 years (and diversion from wheat under agricultural adjustment and conservation programs in the years of the 10-year period in which programs were in effect), with adjustments for abnormal weather conditions and trends in acreage, and, in the case for county allotments, for the promotion of soil-conservation practices.

The law provides that the county allotment is to be apportioned to farms on the basis of the four factors of tillable acres (i. e., cropland), crop-rotation practices, type of soil, and topography. The law does not prescribe how the factors are to be applied nor the weight which shall be given to each factor. In past programs the Department has given primary consideration to the wheat-production history on the farm during the previous 3 or 4 years, with adjustments to reflect such factors as type of soil and topography, in arriving at a "usual acreage" for the farm. A reduction factor, based on the size of the county allotment, is applied to the usual acreage to arrive at the allotment. It is understood that the allotment procedure for 1954 will be similar, but a "base acreage" rather than a "usual acreage" will be established and more weight will be given to the suitability of the land for wheat production. The county committees will have considerable discretion to adjust historical acreages which are considered excessive or otherwise not typical for 1954.

It should be borne in mind that a marketing-quota program is restrictive and im-

poses a penalty on those who do not comply. The legal basis for such a program is the regulation of marketing of the commodity. It could not be used as a means of requiring farmers to carry out good conservation farming without possibly running afoul of the decision of the Supreme Court of the United States in which it was held that the control of agricultural production is a matter reserved to the States. Accordingly, under such a program farm acreage allotments and marketing quotas must bear a direct relationship to the farm's fair share of the market. Past production history, with adjustments prescribed in the regulations, is considered to be an accurate indication of the farm's production for market.

"THE DEPARTMENT OF AGRICULTURE TAKES THE POSITION THAT"

As applied to your farm, it does not appear that the cut in acreage under the Department's proposed program would be unfair to you in comparison with other farms in your community, since the good farming practices you are following are calculated to increase the yield and protect your soil sufficiently to offset the smaller acreage.

Under present law and regulation will acreage allotment be strictly determined on history? Is there enough flexibility in law and regulation so that total cropland rotation and conservation plans, as indicated in the attached will be taken into consideration?

I would appreciate very much, information on the question raised in the attached letter, because inquiries of this type are coming to us daily from many sources.

WILLIAM LANGER.

HON. WALTER HUARD,
Grand Forks, N. Dak.

DEAR MR. HUARD: This will acknowledge and thank you for your letter of recent date relative to the 1954 wheat-acreage allotments.

As you probably know, wheat-acreage allotments and marketing quotas are provided for under the Agricultural Adjustment Act of 1938, as amended. The Secretary of Agriculture is required by law to proclaim a national acreage allotment designed to supply enough wheat for our consumption and export needs plus a carryover allowance. That allotment is apportioned to States and counties under the act on the basis of wheat production during the preceding 10 years (and diversion from wheat under agricultural adjustment and conservation programs in the years of the 10-year period in which programs were in effect), with adjustments for abnormal weather conditions and trends in acreage, and, in the case for county allotments, for the promotion of soil-conservation practices.

The law provides that the county allotment is to be apportioned to farms on the basis of the four factors of tillable acres (i. e., cropland), crop-rotation practices, type of soil, and topography. The law does not prescribe how the factors are to be applied nor the weight which shall be given to each factor. In past programs the Department has given primary consideration to the wheat production history on the farm during the previous 3 or 4 years, with adjustments to reflect such factors as type of soil and topography, in arriving at a usual acreage for the farm. A reduction factor, based on the size of the county allotment, is applied to the usual acreage allotment for 1954. It is understood that the allotment procedure for 1954 will be similar, but a base acreage rather than a usual acreage will be established and more weight will be given to the suitability of the land for wheat production. The county committees will have considerable discretion to adjust historical acreages which are considered excessive or otherwise not typical for 1954.

It should be borne in mind that a marketing-quota program is restrictive and imposes a penalty on those who do not comply. The legal basis for such a program is the regulation of marketing of the commodity. It could not be used as a means of requiring farmers to carry out good conservation farming without possibly running afoul of the decision of the Supreme Court of the United States in which it was held that the control of agricultural production is a matter reserved to the States. Accordingly, under such a program farm acreage allotments and marketing quotas must bear a direct relationship to the farm's share of the market. Past production history, with adjustments prescribed in the regulations, is considered to be an accurate indication of the farm's production for market.

It certainly was a pleasure for me to receive your views on this matter and should you have any further questions, do not hesitate to let me know.

With my very kindest regards and hoping you are well and happy, I am,

Sincerely,

WILLIAM LANGER.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. AIKEN. Mr. President, may I invite attention to page 2 of the bill, line 7? I will read lines 6 and 7: "coming into the production of wheat during the 10 calendar years immediately preceding the calendar year in which the national acreage allotment is proclaimed."

The Department of Agriculture, which participated in drawing this bill, states that the words "immediately preceding" do not express what was intended; that in order to make the act reasonable administratively the words "immediately preceding" should be stricken out and the words "ending with" should be inserted. That would mean that the year 1953 would be included. The reason given is that under the law they are required to calculate the acreage planted in 1953 in determining allocations to each farm, and that if they have a different basis for determining the allocation of the reserve to each county, there may be some counties that will not come out correctly. I have been asked that we so amend the bill by striking out, on page 2, line 7, the words "immediately preceding" and inserting in lieu thereof the words "ending with".

I offer that amendment, Mr. President.

Mr. SCHOEPPPEL. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. SCHOEPPPEL. Was not that the matter which was drawn to the attention of the members of the committee yesterday in our session?

Mr. AIKEN. That was brought to our attention and I am frank to say that, being submitted to us with little explanation accompanying it, the chairman of the committee did not know exactly what it meant or what the effect would be. I am satisfied, however, that the language probably should be changed so that allocations to the counties would take into account the basis on which farm allotments are allocated. I do not think many counties would be affected; I do not know how many. The Department seems to feel that it might get into

difficulties administratively if it allocated the national reserve to counties on the basis of the years ending with 1952, and to the farm on a basis including the year 1953.

Mr. SCHOEPPPEL. That throws a different light on it from that which I understood yesterday. I will say quite frankly that yesterday I opposed any change because I was under a different impression than that which is now indicated by the chairman of the committee.

Mr. AIKEN. The Senator from Kansas had the same understanding, or lack of understanding, that the Senator from Vermont had. There was no adequate explanation accompanying the request for the change. But I now understand that the Department wants to make allocation of the reserve to the counties on a basis which will include the years considered when making allocations to the farms. I think the amendment is proper. If the matter goes to conference and the House does not accept the amendment, it can be thoroughly considered. But I feel that it is all right.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

The amendment was agreed to.

The PRESIDING OFFICER. The question is now on agreeing to the first committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, at the top of page 3, to strike out:

Sec. 3. Public Law 74, 77th Congress (55 Stat. 203), as amended, is amended as follows:

(a) By striking out in the second sentence of paragraph (2) the language "shall be 50 percent of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the act and this resolution," and inserting in lieu thereof the language "on wheat shall be 45 percent of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested."

(b) By striking out in paragraph (7) the word "fifteen" wherever it appears therein and inserting in lieu thereof the figure "25."

And insert:

Sec. 3. Public Law 74, 77th Congress (55 Stat. 203), as amended, is amended by striking out in the second sentence of paragraph (2) the language "shall be 50 percent of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the act and this resolution," and inserting in lieu thereof the language "on wheat shall be 45 percent of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested."

The amendment was agreed to.

The next amendment was, on page 3, line 25, after the word "than", to strike out "sixty-six" and insert "sixty-one."

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CARLSON. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Kansas.

The LEGISLATIVE CLERK. On page 4, after line 2, it is proposed to insert the following:

A farm-marketing quota on wheat shall not be applicable during the marketing year beginning in 1954 to any farm located within any area in which there has occurred during the calendar year 1953 a major disaster as determined by the President under section 2 (a) of the act entitled "An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes," approved September 30, 1950.

Mr. CARLSON. Mr. President, this amendment has been printed and is on the desks of Senators. The amendment is very simple.

It exempts from the 1954 acreage allotments that portion of the country which has been declared a disaster emergency relief area by the President of the United States. There is nothing permanent about the amendment. Its intention is to relieve the cattle-feed situation in the drouth area.

Day before yesterday, we passed, as did the House, an emergency-relief measure which provides for additional emergency assistance to farmers and stockmen in the emergency-disaster area. This amendment would afford further relief to the stockmen in that area.

It is a normal procedure in the Southwest for farmers to plant their wheat at a time when there is adequate moisture in the soil to sprout and bring up the grain and, as soon as it has progressed to a point where it is possible, cattle are turned on the wheat for pasture. Most of our farmers use their planted wheat for pasture well into the winter and, in case of an open winter, up until spring.

If the present drouth situation persists, the wheat will not be planted, but in case of light rains throughout the drouth area after the middle of August, wheat will be planted for the dual purpose of providing pasture for livestock and in the hopes of a harvest in July.

We have discussed this afternoon the effect of the drouth on wheat production in the past year, and I should like to invite the attention of the Senate to certain facts.

In the counties which have now been declared an emergency drought area there were 24 million acres planted in the crop year 1953. Six million acres of this wheat never were harvested due to the drought. That which was harvested made an average yield of 9 bushels per acre. This is 60 percent of the average yield for this portion of the country. Assuming ideal weather conditions, it is estimated that no more than 24 million acres will be planted to wheat. Even with relief of acreage allotment provisions and with the wheat prospects such as they are, it is reasonable to assume that these acres will not yield more than 10 bushels of wheat.

Mr. President, in the Dust Bowl area, with the soil blowing, there are serious soil problems which make living condi-

tions very difficult. My amendment would help to get feed into that area and where it is so badly needed, would in the end save the Government millions of dollars.

Mr. CAPEHART. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. CAPEHART. No one has shown greater sympathy than I with farmers who lose crops. I have been through that myself, and I know exactly what the Senator is talking about, but it seems to me that rye makes a better cover-crop than does wheat. There is nothing to prevent farmers from using any acreage they may want to use for planting to rye, which is a much better cover crop, as I have said, and a much better pasture crop, than is wheat. At least, that is true in Indiana.

Mr. CARLSON. The distinguished Senator from Indiana is, no doubt, a good farmer, but if we follow the advice he has just suggested, farmers will harvest the rye. I am told by farmers in Minnesota and in other sections that there is a surplus of rye. If we let them plant the land to wheat, they will have to destroy the wheat before the next harvest to get the acreage into production. The farmers could plant rye, of course.

Mr. AIKEN. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. AIKEN. Can the Senator imagine the public reaction to planting wheat and then destroying it? Does not the Senator think there would be a little resentment?

Mr. CARLSON. No; I think there would be no resentment, certainly not among the people in that area. If the Senator lived in the section of the country where there are dust conditions he would better understand the situation. We should do everything we can to tie down the ground. The farmers who are getting a little moisture plant sorghum, which is the first crop they can plant. We need to do something about it at this time.

Mr. YOUNG. I certainly have every sympathy with the problems of farmers in the Senator's area. Once the land begins to blow, it is difficult to tie it down again. But exactly the same problem existed in many counties in North Dakota last year and in years previous. Last year many counties produced very little wheat. There are other crops that could be planted to tie down the land. Probably they would not produce as good pasture as wheat would. However, I think that if the Senate accepted the amendment, a very bad precedent would be set, and reaction among farmers would be bad. I can imagine the problem that would be encountered to try to get farmers to plow their crops under if they happened to have a good crop year. With wheat standing nice and high, producing perhaps 20 or 30 bushels to the acre, there would be a bad reaction if an attempt were made to get the farmers to plow it under. There is nothing a farmer hates worse than to destroy a crop.

Mr. CARLSON. The area of which I speak is a summer-fallow area. We are

used to keeping our ground idle for a year at a time. Fifty percent of our acreage is in summer fallow.

Something has been said about planting other crops. We have the machinery to plant wheat. We could plant rye, but we do not have the machinery to handle it as well as wheat can be handled. We do not have machinery with which to plant a large number of other crops.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CARLSON. I am glad to yield.

Mr. ANDERSON. I am very sympathetic with what the Senator from Kansas is saying, because under his amendment there would be no wheat quotas in my State in 1954. Every acre in my State now growing wheat would be exempt. However, I believe that a step in the right direction was taken when the Secretary of Agriculture announced that in those areas he would allow the planting of wheat for purposes of cover crops and grazing, provided the crops were not harvested.

I think it is dangerous to leave the matter wide open. I realize the problem the people in the State of the Senator from North Dakota face. Their acreage will not be cut as much as I think it ought to be cut, and the Senator knows that. But if the quota of the farmers of North Dakota is cut heavily, and in my State, because of the drought, farmers are allowed to go scot free and plant every acre of ground with wheat, whether there is a history of wheat or not, then I think the Senator has a right to complain, and his people have a right to complain. It would be very nice for me personally to have the Senator's amendment adopted, but I am quite well satisfied with what the Secretary of Agriculture has already said—namely, that to prevent our land from blowing, we may plant wheat as a cover crop.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. CAPEHART. Under the law, a farmer could plant as many acres in wheat as he desired to plant, provided he planted it for pasture or plowed it under.

Let us say the quota was 100 acres of wheat, and a farmer had 400 acres. He could plant the entire 400 acres in wheat, pasture 200 acres of it, plow under 100 acres, and harvest 100 acres. There is nothing in the law to prevent a farmer from doing that.

Mr. CARLSON. No, but it should be made certain that farmers are protected, so there can be no question about it.

Mr. CAPEHART. I do not believe there could be any question about it, under the law.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Vermont.

Mr. AIKEN. I simply wish to say that I am inclined to believe the situation described by the junior Senator from Kansas [Mr. CARLSON] may be covered by the definition of wheat acreage in paragraph (k) (1), as follows:

"Wheat acreage" means (i) any acreage seeded to wheat, excluding wheat mixtures in

the wheat mixture counties and excluding wheat acreage used as green manure, cover crop, or hay in green manure, cover crop, and hay counties, and (ii) any acreage of volunteer wheat which reaches maturity.

I also believe the Secretary of Agriculture has authority to declare cover crop counties.

Mr. CARLSON. I appreciate having that information from the distinguished chairman of the committee. I want to do what I think the statement the Senator has just read seeks to accomplish.

Mr. AIKEN. I think this statement is correct. I do not guarantee it. I think it right that the situation the Senator has described should be covered.

Mr. SCHOEPPPEL. Mr. President, will the junior Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. SCHOEPPPEL. The Senator knows, as I do, that the main problem in many of the so-called drought areas, including parts of Kansas, is the ground blowing badly, as the distinguished junior Senator from Kansas has pointed out. I wonder if all Senators who are listening to the discussion understand that a cover crop such as wheat will be the difference between a large amount of land blowing badly and a large amount of land remaining in suitable condition for the planting of crops in another year. The wheat planted on this acreage can be grazed off, thereby reducing some of the very detrimental public reaction mentioned by the junior Senator from North Dakota [Mr. Young]. It is very important that we consider this amendment or in some other way provide for a suitable safe cover crop on much of this land.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. AIKEN. I read a moment ago from regulations pertaining to farm-acreage allotments for the 1954 crop of wheat. I did not make that clear. I believe the Secretary of Agriculture has a right to determine the cover crop counties.

Mr. CARLSON. I appreciate very much the statement by the Senator from Vermont, and I hope the Secretary will act accordingly.

Mr. AIKEN. I believe that the land can be used for a cover crop without its being included as wheat acreage.

Mr. CARLSON. I definitely know the Government would be saved large sums of money in the control of soil, and living conditions, which are most undesirable in some areas at present, could be improved by preventing the blowing of the soil.

Pasture for livestock, which has been badly reduced, would be furnished.

Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the directors of the Kansas Livestock Association in Wichita on Tuesday, July 7, urging this type of legislation.

I also ask unanimous consent to have printed in the RECORD a statement from

the Clark County agriculture mobilization committee, with respect to the same type of legislation and proposed amendment. It is typical of others I have received.

I further ask unanimous consent to have printed in the RECORD a letter I have received from Herbert Rudd, of Tribune, Kans., which is one of many I have received in regard to this program.

Finally, I ask unanimous consent to have printed in the RECORD a table with respect to production, planting, and harvesting in drought areas.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

At a meeting of the directors of the Kansas Livestock Association in Wichita, Kans., on Tuesday, July 7, they unanimously adopted a resolution requesting the Department of Agriculture for permission for seeding of wheat in the drought stricken areas in excess of acreage allotments if and when the allotments are imposed.

The resolution further stated that "This would afford additional feed for stockmen and prevent wind erosion on the acreage not included in allotments."

UNITED STATES DEPARTMENT
OF AGRICULTURE, PRODUCTION AND
MARKETING ADMINISTRATION,
Ashland, Kans., July 7, 1953.

To: FRANK CARLSON, Senator, United States Senate, Washington, D. C.

From: Clark County Agricultural Mobilization Committee.

Subject: Request that wheat producers be permitted to plant a full acreage this fall if the acreage allotment program is placed in effect.

The Clark County Mobilization Committee met Friday evening, July 3, 1953, with 16 members present to discuss the drought situation. Due to the shortage of feed, the wind erosion problem, the prospect of a considerable number of crop acres being without cover this fall and winter, and not enough other crop seeds suitable for seeding as a cover crop or to be used in a mixture available for fall seeding this year in this area, the following motion was made and carried unanimously:

Motion stated: The Clark County Agricultural Mobilization Committee send to the Secretary of Agriculture, Senators, and Representatives of State of Kansas, State PMA Committee, and State Mobilization Committee the following recommendation—

Requested that the law be amended so a producer may seed layout land to wheat and designate the acres at seeding time and these designated wheat acres used as a cover and feed crop to be disposed of so they will not be cut for grain for the harvest of 1954 and such acres be disposed of by May 15, 1954.

Due to the present moisture conditions, and no prospect for feed in this county it is very important that every possible consideration be given to the above recommendation.

Members present and organization represented: Del Randall, farm bureau; M. N. Rankin, PMA; Harry Thompson, PMA; Henry Degnan, PMA; Charles Greene, extension; Bennie Bird, extension, county agent, E. M. Pyle III, NFLA; Virgil Mull, NFLA; Vernon McMinimy, PCA; Wendell McMinimy, REA; John York, SCD; Leo Brown, SCD; Albert Bray, WS; Kenneth Salyer, PMA secretary.

Sincerely yours,
M. N. RANKIN,
Chairman, Clark County Agricultural Mobilization Committee.

TRIBUNE, KANS., July 5, 1953.

FRANK CARLSON,

United States Senate,

Washington, D. C.

DEAR SIR: I am writing in regard to the proposed acreage reduction for our 1953 wheat seeding for 1954 harvest.

Because of our practice of preparing the seed bed in April or May, and also because of weather conditions at wheat seeding time and spring planting time, many farmers have many acres of land over and above the acreage allotment that are a blowing hazard. I wish every Member of Congress and all the Department of Agriculture could have been in western Kansas or the Oklahoma and Texas Panhandles the past 2 weeks.

I think that regardless of the carryover situation and proposed marketing quotas, we should drill all this unprotected ground to wheat if the planting conditions are right at seeding time. The proper care of the land and the living conditions of the people in this country surely warrant such a program.

In our opinion, the support price of these crops could be much lower, but first and all the time we should get a crop on our open land if we get favorable conditions at seeding time.

Respectfully,

HERBERT RUDD.

	Drought areas		
	Kansas	Oklahoma	Texas
1953			
Production...bushels..	93,523,000	62,536,000	21,681,000
Planted.....acres..	12,609,000	6,656,000	5,423,000
Harvested.....do....	10,004,000	5,622,000	2,559,000
1948-52 (AVERAGE)			
Production...bushels..	171,495,000	72,192,000	44,101,000
Planted.....acres..	13,244,000	6,508,000	6,103,000
Harvested.....do....	11,272,000	5,458,000	3,885,000

Mr. CARLSON. Mr. President, in view of the statement made by the distinguished Senator from Vermont [Mr. AIKEN], chairman of the Committee on Agriculture and Forestry, I have reason to believe that the Secretary of Agriculture, by direction, is authorized to do what is proposed by my amendment, in the disaster county areas of the Nation. Therefore, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ORDER OF BUSINESS

Mr. KNOWLAND. Mr. President, it is my purpose to move that the Senate now recess. There will be no further business or proposed legislation considered tonight. It is proposed that when the Senate recesses, it recess until Monday at 12 o'clock noon. However, I shall be

glad to yield to Senators for the purpose of making insertions in the RECORD.

Mr. SPARKMAN rose.

Mr. KNOWLAND. I yield to the Senator from Alabama.

IRREGULAR AIR CARRIERS

Mr. SPARKMAN. Mr. President, I had intended to speak to the Senate this afternoon with respect to a matter that is quite pressing. However, I shall not detain the Senate more than a few minutes, and shall then have printed in the RECORD the statement I had planned to make.

For about 2 years the Senate Committee on Small Business has been greatly interested in trying to preserve a very valuable asset of our transportation system. I refer to the irregular air carriers of the Nation. Recently the Small Business Committee held hearings with particular reference to certain regulations under which the Civil Aeronautics Board is acting at present, and under which it proposes to take away a certificate from North American Airlines, which is a group of airlines representing about four different carriers.

Recently the chairman of the Small Business Committee wrote a letter to the Civil Aeronautics Board suggesting that action revoking the certificate of the North American Airlines be held up until the Small Business Committee could complete its hearings and make a report, and until the general study which the board is making into the whole question of certification of nonscheduled airlines could be completed.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of the letter from the chairman of the Senate Small Business Committee, the Senator from Minnesota [Mr. THYE], dated June 9, 1953, and addressed to the Chairman of the Civil Aeronautics Board regarding this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SENATE SMALL BUSINESS COMMITTEE,
June 9, 1953.

Hon. OSWALD RYAN,
Chairman, Civil Aeronautics Board,
Washington, D. C.

MY DEAR MR. CHAIRMAN: As you know, our committee is currently studying the testimony developed during the recent hearings on the problems of the irregular air carriers. We expect to have a report on this matter ready for presentation to the Senate within a few weeks.

In order to avoid any prejudicial actions, I would like to request that the Board defer any further steps in the processing of economic enforcement proceedings until after our report has been submitted and the Board has had a chance to consider it. I believe that this would provide for a more orderly handling of the problem.

With best wishes.

Sincerely yours,

EDWARD J. THYE, Chairman.

Mr. SPARKMAN. The Board, in spite of that request from the chairman of our committee, has proceeded with its action against these airlines. A temporary injunction was obtained, and the argument will be held in court on Monday, as to

whether or not the injunction should be made permanent.

I have prepared some remarks which I had intended to deliver on this subject. Because of the lateness of the hour I shall not detain the Senate longer, but I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the statement to which I have referred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SPARKMAN

The Civil Aeronautics Board is at the present time pursuing a series of enforcement cases in the form of six separate proceedings, the purpose of which is the revocation of the operating authority of various scheduled carriers.

The purpose of these enforcement proceedings is to revoke the operating authority of the following carriers whom I shall name, along with the number of revenue passenger miles which these carriers flew in 1952:

	Docket No.	1952 passenger-miles
Robin Air Lines, Inc., North Continent Airlines.....	5475	4, 813, 000
Caribbean American Lines.....	5657	63, 618, 000
Air America, Inc.....	5766	42, 886, 000
Aero Finance Corp.....	5779	27, 046, 000
Twentieth Century Air Lines Inc.....	6000	66, 782, 000
Trans American Airways, Inc.....	6000	40, 376, 000
Trans National Airlines, Inc.....	6000	53, 621, 000
Hemisphere Air Transport.....	6000	71, 534, 000
Peninsular Air Transport.....	4084	28, 130, 000

It will be noted that these carriers flew a total of 398,806,000 revenue passenger-miles. This represents approximately 50 percent of the total number of revenue passenger-miles flown in common carrier civilian service by the entire nonscheduled industry.

These carriers are the largest, most reliable, and most experienced enterprises among the independent air carriers. They receive no subsidy and they have never received any subsidy. They have a fine record of safety. In every respect these carriers represent the leaders of the independent noncertificated civil aviation companies in the United States. They are all charged with the same offense. It seems that they are all guilty in the eyes of the Civil Aeronautics Board of flying too frequently, too regularly, and, in some instances, conducting their business in a manner similar to that of the certificated carriers in regard to honoring passenger tickets among each other. By way of illustration, I should like to point out that if you were to call American Airlines today for passage to New York and they were unable to provide you with adequate service, they will be glad to sell you passage on Eastern Airlines. This is a perfectly proper and honored relationship among certificated carriers. However, if one nonscheduled carrier conducts this type of arrangement with another nonscheduled carrier, this is regarded as an offense sufficiently grave to warrant their forfeiting their operating authority.

It strikes me as particularly significant that these carriers, the successful ones, ones who have demonstrated their efficiency and their ability to serve the public convenience and necessity, are just the ones singled out by the Civil Aeronautics Board for punishment. If it was the premeditated intention of the Civil Aeronautics Board to wipe out the independent air carriers with a minimum of effort, no better way could be devised than the proceedings which the Board is now undertaking. I, for one, cannot sanction the flouting of the regulations of any regulatory agency. I feel that the rules of an agency

have a special sanctity and should be honored by their observance. I feel that the rules of any agency must first be honored by those who promulgate those rules—in the sense that every rule must be drawn in the spirit of what is best for the public interest and what can be regarded as a formal statement of how to proceed equitably and fairly.

The regulations which the Civil Aeronautics Board is invoking in the current proceedings are regulations which fail to meet the test of consistency, fairness, and public interest. The regulations have been challenged time and again in recent hearings conducted by the Senate Small Business Committee in the course of which it was shockingly revealed that these regulations had a premeditated motive designed to deprive one segment of the aviation industry, namely, the non-scheduled independent carrier, of any economic possibility of survival. Mr. President, I am not making this charge against the economic regulations of the Civil Aeronautics Board, but I am saying that a great deal of evidence has been presented before committees of Congress indicating that prejudice and favoritism played an important part in the drawing of these regulations, and that bias and malice have been factors in the manner in which these regulations have been employed. I am not in a position to evaluate these regulations, but I am in a position to say without fear of contradiction that a great deal of evidence has been amassed which warrants a thorough and impartial scrutiny of the economic regulations of the Civil Aeronautics Board and of the Board's administration of these regulations. That such an inquiry is justified and necessary, no reasonable man can deny. I think that the proof of this contention is best borne out by the fact that the Senate Select Committee on Small Business, through its able chairman, Senator THYE, has recently completed a most industrious inquiry into this problem of the economic regulations of the Civil Aeronautics Board as they might pertain to possible discrimination and unfair restraint against the independent air carriers. This committee is now in the process of preparing its report, in which it will, I trust, come forth with a fair evaluation of these regulations and also chart a course of action whereby the valuable assets of the independent air carriers can be given some proper and legal relationship to the entire civil aviation industry of the country. This report has not yet been submitted to the Congress, as it is even now in the process of preparation.

But did the fact that an important and distinguished committee of the Senate is in the process of making a study of this problem check the Civil Aeronautics Board in its swift appointment as executioner of small business in aviation? No; it did not. The Board has completely and blithely overlooked the fact that a Senate committee was in the process of preparation of such a report. The Board indicates that it will continue on its set course of disqualifying and liquidating the new enterprises of an industry which it is constitutionally charged with preserving. But I must cite an even more shocking inconsistency in the Board's action. Since September of 1951 the Civil Aeronautics Board has been conducting an inquiry into the proper role of the large irregular carriers. This proceeding, to which all of the independent air carriers are party, is known as Docket No. 5132. The order instituting this investigation stated that it "appears to be desirable to institute a general investigation to obtain further and current economic and other information concerning noncertificated operations, in order that the Board may determine its future policy with respect to large irregular carriers and irregular transport carriers." This inquiry was launched by the Civil Aeronautics Board the 21st day of September

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 14, 1953
For actions of July 13, 1953
83rd-1st, No. 129

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HIGHLIGHTS: Both Houses completed congressional action on drought-relief and foreign-aid bills. Senate ratified Wheat Agreement and passed measure to carry it out. Senate and House conferees were appointed on wheat marketing quota bill. Senate received Arnold nomination to FCA. House passed customs-simplification bill. House Rules Committee cleared supplemental appropriation bill. House committee reported bill to modify trade agreements law. Rep. Steed spoke in favor of livestock price supports.

SENATE

1. **DROUGHT RELIEF.** Both Houses agreed to the conference report on H. R. 6054, the drought-relief bill (pp. 8835-7, 8886-7). This bill will now be sent to the President.

WHEAT. Ratified Executive H, to revise and extend the International Wheat Agreement. The Agreement and an explanation of it are printed in the Record. (pp. 8890-912.)

Passed without amendment S. J. Res. 97, to provide for effectuation of the new International Wheat Agreement (pp. 8873, 8912).

Senate and House conferees were appointed on H. R. 5451, to amend the wheat marketing quota law (pp. 8834, 8887).

3. **FOREIGN AID.** Both Houses agreed to the conference report on H. R. 5710, to amend and extend the Mutual Security Act. The House vote was 221-109. (pp. 8938-40, 8861-8.) This bill will now be sent to the President. Sen. Wiley expressed regret that the authorization for ICEF was not larger (p. 8883).

Sen. Morse inserted a paper by E. J. Bell favoring "Aid By Trade" (pp. 8883-6).

4. **NOMINATION** of Carl Raymond Arnold to be FCA Governor was received (p. 8948).

5. **POTATOES.** S. 2124, relating to repacking of potatoes, was taken from the Interstate and Foreign Commerce Committee and referred to the Agriculture and Forestry Committee (p. 8880).

6. PRICE SUPPORTS. Sen. Langer inserted a Carson (N. Dak.) Commercial Club resolution favoring present price-support legislation (p. 8874).
7. TREATIES. Sen. Wiley criticized the Bricker resolution, to limit treaty powers, and inserted letters opposing it (pp. 8880-3).

HOUSE

8. APPROPRIATIONS. The Rules Committee reported a resolution for consideration of H. R. 6200, the supplemental appropriation bill, 1954 (p. 8872).
House conferees were appointed on H. R. 4974, the State, Justice, Commerce appropriation bill for 1954 (p. 8832), and H. R. 5246, the Labor-HEW appropriation bill for 1954 (p. 8834). Senate conferees have been appointed.
9. FOREIGN TRADE. Passed with amendment H. R. 5377, to amend certain administrative provisions of the Tariff Act of 1930 to simplify customs procedure (pp. 8837-61). Rejected a committee amendment to require that injury or threat of injury be proved by an industry before a countervailing duty would be imposed by the Treasury Department (pp. 8860-1). Rep. Scott said this amendment was opposed by wool and cotton groups, etc. (p. 8843).
The Ways and Means Committee reported without amendment H. R. 5894, to amend the Trade Agreements Extension Act to provide additional protection for American workers, farmers, etc. (H. Rept. 777) (p. 8872).
10. SMALL BUSINESS. Adopted H. J. Res. 294, making appropriations for the Small Defense Plants Administration for July 1953 (p. 8831).
11. PRICE DISCRIMINATION. Rep. Patman claimed there is a nationwide effort to fool the independent merchant as to his right to buy cooperatively under the Robinson-Patman Act (pp. 8868-9).

BILLS INTRODUCED

12. AGRICULTURAL ADJUSTMENT. H. R. 6257, by Rep. Hunter, and H. R. 6259, by Rep. Rhodes of Ariz., "to amend the Agricultural Adjustment Act of 1938"; to Agriculture Committee (p. 8872).
13. FOREIGN AID. H. R. 6262, by Rep. Radwan, to authorize CCC commodities to be used for foreign aid; to Agriculture Committee (p. 8872).
14. RESEARCH. S. 2367, by Sen. Aiken, "to strengthen the conduct of research" in USDA; to Agriculture and Forestry Committee (p. 8876).
15. SOIL CONSERVATION. S. 2368, by Sen. Aiken, to amend Sec. 8 (e) of the Soil Conservation and Domestic Allotment Act; to Agriculture and Forestry Committee (p. 8876).

BILLS APPROVED BY THE PRESIDENT

16. REORGANIZATION. S. 106, to establish a Commission on Organization of the Executive Branch. Approved July 10 (Public Law 108).
S. 1514, to establish a Commission on Intergovernmental Relations. Approved July 10, 1953 (Public Law 109).
17. FLAG. S. 694, to prohibit display of flags of international organizations or other nations in equal or superior prominence or honor to the U. S. flag except under specified circumstances. Approved July 9, 1953 (Public Law 107).

could result in rescinding present countervailing duty on Uruguayan wool tops.

ARTHUR O. WELLMAN.

BOSTON, MASS., July 10, 1953.

EDITH NOURSE ROGERS,
Ways and Means Committee,
House Office Building.

We strongly urge you endeavor persuade Ways and Means Committee eliminate amendment from customs simplification bill (H. R. 5877) relating to requirement injury test before countervailing duties can be imposed. Our industry had no opportunity express our opposition this clause which was not in original bill. Respectfully request your opposition to such fundamental change in statutory law without opportunity for industries vitally affected to be heard.

KENNETH MARRINER,
Marriner & Co., Inc.

GRANITEVILLE, MASS., July 10, 1953.

HON. EDITH NOURSE ROGERS,
House Office Building.

We understand that simplification bill, H. R. 5877, will be offered on House floor this coming Monday, July 13, to require injury test before countervailing duties could be imposed. We urge that this matter be given a full hearing, as it might result in rescinding present countervailing duty on Uruguayan wool top.

EDWARD M. ABBOTT.

BOSTON, MASS., July 9, 1953.

CONGRESSWOMAN EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.:

Am advised Ways and Means Committee will offer amendment to customs simplification bill which would add so-called injury test to countervailing duty statute. This is a new feature of bill on which no public hearings were held. We strongly oppose as this would nullify countervailing duties recently imposed on imported wool top. Please do your utmost to defeat amendment.

RUFUS F. HALE,
Assistant Treasurer, Pacific Mills,
140 Federal Street, Boston, Mass.

BOSTON, MASS., July 10, 1953.

HON. EDITH NOURSE ROGERS,
House Office Building.

We understand Ways and Means Committee will propose on House floor to amend customs simplification bill to weaken present countervailing duty statute by adding an injury test to it. This amendment is highly controversial. It was not a part of the bill as introduced and was considered by the committee only in executive session. It might require rescinding of present countervailing duty against subsidized wool top imports from Uruguay and would be grossly detrimental to United States wool industry. Please attempt to persuade Ways and Means Committee not to offer amendment at this time but to embody it in separate bill and hold hearings on that bill.

ERNEST BENTLEY,
President, Boston Wool Trade
Association.

WEST CHELMSFORD, MASS., July 10, 1953.

HON. EDITH NOURSE ROGERS,
House Office Building.

We are advised that an amendment will be proposed to H. R. 5877, customs simplification bill, on Monday when it comes to the floor of the House under a rule permitting honoring this amendment. It will seriously affect our business in your district. Please vote against this amendment and the whole bill as there are other features of the bill that will materially curtail our operations in the plants in your districts.

H. E. FLETCHER CO.

NORTH CHELMSFORD, MASS., July 10, 1953.

HON. EDITH NOURSE ROGERS,
New House Office Building.

Reference H. R. 5877, in regard to customs simplification bill, we are unalterably opposed to any amendment requiring injury to be proven before countervailing duty can be imposed.

SOUTHWELL COMBING CO.

LOWELL, MASS., July 13, 1953.

HON. EDITH NOURSE ROGERS,
House Office Building.

We are advised that an amendment will be proposed to H. R. 5877, customs simplification bill, today when it comes to the floor of the House under a rule permitting only this amendment. It will seriously affect our business in your district. Please vote against the amendment and the whole bill as there are other features of the bill that will materially curtail our operations in the textile mills in your district.

MERRIMACK MANUFACTURING CO.

LOWELL, MASS., July 10, 1953.

HON. EDITH NOURSE ROGERS,
New House Office Building,
Washington, D. C.:

Referring to H. R. 5877, in regard to customs simplification bill, we are unalterably opposed to any amendment requiring injury to be proven before countervailing duty can be imposed.

GILET CARBONIZING CO.

NORBILERICA, MASS., July 10, 1953.

HON. EDITH NOURSE ROGERS,
New House Office Building,
Washington, D. C.:

Referring to H. R. 5877, in regard to customs simplification bill, we are unalterably opposed to any amendment requiring injury to be proven before countervailing duty can be imposed.

NORTH BILLERICA CO.,
J. A. MORRILL.

BOSTON, MASS., July 10, 1953.

HON. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.:

We believe amendment to customs simplification bill, H. R. 5877, relating to requirement injury test before countervailing duties can be imposed would have adverse effect on our industry. Hope you will do all possible to persuade House Ways and Means Committee to eliminate this amendment.

DRAPER TOP CO.

BOSTON, MASS., July 10, 1953.

HON. EDITH NOURSE ROGERS,
House Office Building,
Washington, D. C.:

We strongly oppose the injury test amendment to H. R. 5877, customs simplification bill. This amendment could mean the rescinding of the recently imposed countervailing duty on wool top imports from Uruguay, which are openly subsidized. These subsidized wool top imports have been, and certainly would be again, greatly detrimental to the entire wool and topmaking industry. Injury test proceedings are always time consuming and great damage can result during the time necessary to fulfill an injury test requirement. We strongly question the motive behind such an amendment and strongly urge you to do all in your power to separate this amendment from this bill and, if necessary, have its proponents embody it in a separate bill on which all interested parties could be heard.

WALKER TOP ASSOCIATES.

BOSTON, MASS., July 10, 1953.

HON. EDITH NOURSE ROGERS,
House Office Building,
Washington, D. C.:

It is vital to us as part of the wool industry that amendment to customs simplification bill, H. R. 5877, requiring injury test before countervailing duties can be imposed, be defeated, and we respectfully urge you to use all of your influence against this amendment.

THURMOND & CO.

ANDOVER, MASS., July 13, 1953.

HON. EDITH NOURSE ROGERS,
House Office Building.

We understand customs simplification bill, H. R. 5877, is being reported to floor of House today. My associates and I strongly oppose its passage. Our company is one of the smaller rubber manufacturers employing about 900 people. In the depressed labor area of Lawrence, Mass. Our principal products are rubber and canvas rubber-soled footwear which are particularly vulnerable to foreign competition. We are convinced that passage of proposed bill would help increase such competition at a time when our industry, which is essential to our country's defense, is particularly vulnerable. We urge that proposed legislation be at least postponed until general tariff study scheduled for ensuing year can be completed.

TYER RUBBER,
W. E. BRIMER, President.

NEW ENGLAND MANUFACTURING
CONFECTIONERS ASSOCIATION,
Boston, Mass., July 10, 1953.

HON. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

MY DEAR MRS. ROGERS: I understand that the customs simplification bill, H. R. 5877, probably will be voted on in the House next week, possibly on Monday.

The candy industry in New England is worried about Congressman EBERHARTER'S proposed amendment to impose an injury test so that countervailing duty would not be imposed to compensate for any bounty being paid by foreign governments to their manufacturers to export unless our own domestic industry could prove injury. The duty on candy might be increased in several instances because we have definite proof that the bounties are being paid.

This particular amendment would prevent our getting any relief. Incidentally, there has been a tremendous increase in imported candy.

The candy manufacturers in New England will appreciate your good efforts in seeing that this particular proposed amendment to H. R. 5877 is defeated.

Sincerely yours,
WALTER R. GUILD,
Managing Director.

(MR. KERSTEN of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD.)

[MR. KERSTEN of Wisconsin's remarks will appear hereafter in the Appendix.]

FILING OF MINORITY REPORT

MR. CROSSER. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a minority report on the bill H. R. 356.

THE SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED INDEPENDENT AGENCIES APPROPRIATION BILL, 1954

Mr. BUSBEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5246) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1954, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BUSBEY, JENSEN, BUDGE, TABER, FERNANDEZ, ROONEY, and CANNON.

WHEAT MARKETING QUOTAS

Mr. HOPE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HOPE, AUGUST H. ANDRESEN, HILL, POAGE, and GRANT.

CORRECTION OF ROLL CALL

Mr. THOMPSON of Texas. Mr. Speaker, on roll call No. 81 on Thursday last I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the RECORD and JOURNAL be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SUPPLEMENTAL APPROPRIATION BILL, 1954

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 330, Rept. No. 771), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6200) making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes, and all points of order against said bill or any provisions contained in said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration

of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

TAX ON ADMISSIONS TO A MOVING-PICTURE THEATER

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 331, Rept. No. 772), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 157) to provide that the tax on admissions shall not apply to admissions to a moving-picture theater, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except the substitute amendment recommended by the Committee on Ways and Means now in the bill, but such amendment shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, with such amendment if adopted, and the previous question shall be considered as ordered on the bill, and the amendment thereto if adopted, to final passage without intervening motion, except one motion to recommit.

INVESTIGATION OF EDUCATIONAL AND PHILANTHROPIC FOUNDATIONS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 217, Rept. No. 773), which was referred to the House Calendar and ordered to be printed:

Resolved, That there is hereby created a special committee to be composed of five Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of educational and philanthropic foundations and other comparable organizations which are exempt from Federal income taxation to determine if any foundations and organizations are using their resources for purposes other than the purposes for which they were established, and especially to determine which such foundations and organizations are using their resources for un-American and subversive activities; for political purposes; propaganda, or attempts to influence legislation.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) on or before January 3, 1955, the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee, or any duly author-

ized subcommittee thereof, if authorized to sit and act during the present Congress at such times and places and within the United States, its Territories, and possessions, whether the House is in session, has recessed, or has adjourned, to hold hearings, administer oaths, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

Upon the passage of this resolution, the Sergeant at Arms of the House is authorized and directed to ascertain the location of all books, papers, files, correspondence, and documents assembled by the former select committee under House Resolution 501, 82d Congress, and take same into his custody, depositing such records with the Clerk under rule XXXVII. The Clerk of the House is hereby authorized to loan such records and files to the special committee established by this resolution for the official use of the special committee during the 83d Congress or until January 3, 1955, when they will be returned in accordance with said rule.

SECOND RECIPROCAL TRADE AGREEMENTS ACT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill H. R. 5894, the Second Reciprocal Trade Agreements Act.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DR. GEORGE W. GILLIE

(Mr. ADAIR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADAIR. Mr. Speaker, it is a pleasure for me to call to the attention of the Members of the House a high honor which will soon be bestowed upon a former colleague and my Republican predecessor from the Fourth District of Indiana, Dr. George W. Gillie, of Fort Wayne.

On July 20, Dr. Gillie, who served in the House of Representatives from 1938 through 1948, will receive the highest award which can be presented by the American Veterinary Medical Association at its 90th annual convention at Toronto, Canada.

Each year, the AMVA recognizes a veterinarian for meritorious service to the membership of the organization. This year Dr. Gillie will receive the award. He will be presented with both a certificate and the AMVA medal.

While serving in the House, Dr. Gillie was a member of the House Agriculture Committee. He was a leader in the fight to eradicate foot-and-mouth disease during the terrible epidemic in Mexico, which also threatened the cattle industry of the United States. He also sought to establish a Government-sponsored laboratory to study ways and means of preventing the recurrence of this dread disease.

matter with the distinguished minority leader, the senior Senator from Texas [Mr. JOHNSON].

Mr. AIKEN. I have not. I cannot conceive that either the acting majority leader or the minority leader would have the slightest objection to the consideration of the conference report.

Mr. HENNINGS. Mr. President, I now understand there is no objection.

Mr. AIKEN. The committee of conference agreed substantially to the Senate bill, with the exception of the section relating to emergency feed and seed laws. This section was stricken by the Senate on the ground that it was covered by other legislation. However, after discussing the matter with the House conferees, it was agreed that probably it would be better to have language in the bill covering the item. So, the conference report contains a modified version of the provision for emergency assistance in furnishing feed and seed, which was originally stricken out of the bill by the Senate. This provision does not create any new authority. It is simply a question of whether the funds for carrying out this authority shall come from the President's emergency fund or from the disaster loan revolving fund. Many agencies, particularly the Civil Defense Administration, are interested in the President's fund; and the Budget Bureau has assured us that from an accounting and administrative viewpoint, it is preferable that this assistance be furnished from the disaster loan revolving fund. Language which appeared to invite discrimination in waiving payment for feed and seed has been removed; and in view of the explanation of the Budget Bureau and removal of the objectionable language, the conferees believe that the provision should be included in the bill.

Mr. CARLSON. Do I correctly understand from the conference report that funds for feed and seed loans would come from the disaster relief fund?

Mr. AIKEN. Not now. They would have come from the disaster relief fund had the provision which was stricken by the Senate remained out of the bill. The fund will now come from the revolving fund of the RACC, or what formerly was the RACC agency. It was feared that the President's emergency funds might become exhausted in case of serious disasters of another nature. Therefore the Bureau of the Budget thought it would be better to have the agricultural disaster loans for feed and seed paid out of the revolving fund rather than to take a chance on calling on another fund which might at some time prove to be inadequate.

Mr. CARLSON. Do I correctly understand that the feed and seed loans at the present time, and under the present program, will be handled as they have been handled in the past, through the same funds which were available in previous years for feed and seed loans?

Mr. AIKEN. After this bill becomes law, the feed and seed loans will be made out of the revolving fund, rather than the President's immediate disaster fund.

Mr. CARLSON. I appreciate very much the statement of the distinguished Senator from Vermont.

Mr. AIKEN. The Senate conferees agreed that the situation would be improved, and the House conferees agreed that by changing the language of the House provision the bill itself would be improved, and there would be no chance for misunderstanding or ambiguity.

Mr. CARLSON. Mr. President, will the Senator further yield?

Mr. AIKEN. I yield.

Mr. CARLSON. Do I correctly understand, then, that upon the final enactment of the legislation emergency funds will be provided for financing loans in the disaster area for livestock; second, that loans will be provided for feed; and, third, that emergency loans will be provided for feed and seed?

Mr. AIKEN. It provides for loans for agricultural purposes of any kind in disaster areas. It provides for nationwide loans on livestock on a temporary, 2-year basis; and it provides for loans for feed and seed in disaster areas, to be made from the revolving fund of the Department of Agriculture rather than from the President's disaster fund.

Mr. CARLSON. I wish to commend the Senator and his committee for the diligence with which they have handled this critical and very much needed piece of legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 5451) to amend the wheat-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. AIKEN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. AIKEN, Mr. YOUNG, Mr. THYE, Mr. ELLENDER, and Mr. HOLLAND conferees on the part of the Senate.

LOCAL AIRLINE SERVICE IN NEW ENGLAND—DISSENTING OPINION OF JOSH LEE AND JOSEPH P. ADAMS

Mr. KENNEDY. Mr. President, on behalf of the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I ask unanimous consent to insert in the RECORD the dissenting opinion of the Honorable Josh Lee and the Honorable Joseph P. Adams, both members of

the Civil Aeronautics Board, in docket No. 5055 et al., decided July 3, 1953, being the Wiggins airways renewal investigation case.

There being no objection, the dissenting opinion was ordered to be printed in the RECORD, as follows:

MEMBERS LEE AND ADAMS DISSENTING

We dissent from the majority's refusal to renew Wiggins for the same basic reasons set forth in our original dissenting opinion in this proceeding. We are unable to adopt the majority's conclusion that the area involved in this proceeding is too weak to justify from an economic standpoint a properly established local air transportation system. On the contrary, we believe that the establishment of a sound local service pattern providing these communities with rapid transportation to their major trade centers would have just as good a chance for success as similar systems in other sections of the country. We are convinced that if Wiggins were given a proper route system and permitted to operate this system with DC-3 or an adequate feeder aircraft, Wiggins, just as the other local service carriers have done, would be able to make a satisfactory showing in the public interest.

We regard the majority's decision as particularly unfortunate because it is made in opposition to urgent requests on the part of representatives of cities and State civic interests as well as outstanding representatives of the political subdivisions of New England, all of whom are particularly well versed in the needs and deficiencies of the air transportation system of New England. We cannot agree with the majority that the natural interest which these public-spirited New England citizens have expressed should be ignored when even the majority cannot deny that the route system which Wiggins was operating could have been substantially improved in this case so that the cities in the New England area could have had the benefit of a true local service experiment.

JOSH LEE.

JOSEPH P. ADAMS.

CIVIL AERONAUTICS BOARD PROCEEDINGS AGAINST NORTH AMERICAN AIRLINES

Mr. HENNINGS. Mr. President, on Saturday, the distinguished junior Senator from Alabama [Mr. SPARKMAN] spoke to the Senate briefly concerning the pending enforcement proceedings which have been brought by the Civil Aeronautics Board against North American Airlines. Because of the lateness of the day, the Senator from Alabama spoke only briefly, and obtained permission to insert in the CONGRESSIONAL RECORD the remainder of his speech and a memorandum. I had also intended to speak on Saturday concerning the same problem, but because other Senators were obviously anxious to adjourn the Senate, I deferred saying anything until today.

Over the past week I received numerous telegrams from people in Missouri protesting against enforcement proceedings against North American Airlines and urging that I speak against this action.

This is a matter on which up to this time I have not had an opportunity to familiarize myself in detail, and for this reason I was very much interested in the remarks of my good friend, the Senator from Alabama [Mr. SPARKMAN].

For several years, as one of the air traveling public, I have been aware of the growth of the so-called nonscheduled air lines and of their great contribution to American aviation. I also have been aware of the fact that from the inception of regulation by the Civil Aeronautics Board, the air transport industry has had a shrinkage in the number of scheduled air lines from 16 to 13, rather than a growth.

We in the United States have long since come to feel that we do not fear or oppose bigness, as such, in industry or anything else. On the other hand, we have for many years been opposed to monopoly in any form. We have laws which prohibit the growth and development of monopolies, but these conspiracies in restraint of trade nonetheless—as we well know—and as last year I showed in connection with the international oil cartel—continue to develop. I hope a monopoly is not threatened in the air transport industry, but I must say, on the basis of considerable evidence referred to by the Senator from Alabama and on the basis of the questions which he raised in his speech on Saturday, I am compelled to express great concern over the administration of the Civil Aeronautics Act by the Civil Aeronautics Board.

The Senator from Alabama stated on Saturday that the North American Airlines is the largest, most reliable, and most experienced carrier among the independent nonscheduled air carriers. He noted that they receive no subsidy from the Treasury, and have never received a subsidy; that they have a fine record of safety. The charge against them seems to be that they are guilty, in the eyes of the Civil Aeronautics Board, of flying too frequently, too regularly, and in some instances, of conducting their business in a manner similar to that of the certificated carriers in regard to honoring passenger tickets among each other. The Senator from Alabama stated that the regulations which this carrier is charged with violating had been repeatedly challenged in recent hearings conducted by the Senate Small Business Committee, in the course of which the Senator said it was shockingly revealed that these regulations had a premeditated motive designed to deprive one segment of the aviation industry—the nonscheduled independent carrier—of economic survival.

These are serious charges, and many other serious questions were raised on Saturday about this pending enforcement proceeding. One must remember that this nonscheduled carrier was organized by veterans of World War II, with the help of and on the urging of the Federal Government, and without airmail subsidy. This group of companies have demonstrated that without the airmail subsidy, which the regularly scheduled airlines get, they were able to operate safely a fine air transport service to the public, at greatly reduced cost. This is a type of free enterprise about which America can be proud, and one which it appears to me we wish to encourage, not destroy.

As I understand, the Civil Aeronautics Board is determined to go forward with

these enforcement proceedings, which would put this large independent carrier out of business, in spite of protests from congressional committees and Members of Congress. It seems to me that in view of the findings and recommendations of the Senate Small Business Committee and the importance of this carrier to the air transportation industry, the decision of the Civil Aeronautics Board to proceed at this time with the enforcement action can be questioned. While my immediate interest in this matter has been occasioned by the appeals from my fellow citizens in Missouri, I have for a long time viewed the economics of the air transportation industry with increasing concern.

It has been charged repeatedly that this industry is threatened with monopoly. While I have not had an opportunity to fully acquaint myself with the facts concerning the charges of an air cartel, I am aware, as are other Members of Congress, that these charges are being made from sources which appear substantial and reliable.

In view of this situation, I think the Congress should investigate quite thoroughly the administration by the Civil Aeronautics Board of the air-transport industry, and either should lay to rest the charges which have been made, or should take some action to correct the alleged trend toward monopoly, if the charges are substantiated.

In any case, I wish to indicate now that I am very much concerned with this problem and intend to go into the matter thoroughly. At a later date, after I have had more time to study this matter, I shall speak on the problem at much greater length.

Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD following my remarks, a number of telegrams which I received in protest against the Civil Aeronautics Board's pending enforcement proceeding.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

KANSAS CITY, Mo., July 9, 1953.
Senator TOM HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

As a war veteran I thought I was fighting for democracy but ever since I have come home and watched the CAB killing off civilian enterprise in aviation I ask myself if I was fighting for bureaucracy at home.

DALE BOWERS.

KANSAS CITY, KANS., July 9, 1953.
Senator TOM HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Recently had to see my son, a Korean veteran in the naval hospital in San Diego and thanks to North American Airlines was able to afford the trip which major airlines made prohibitive. You should fight for any group which keeps prices down.

VINCENT ABELL.

KANSAS CITY, Mo., July 9, 1953.
Senator TOM HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Livelihood of myself and family depend on North American Airlines in Kansas City. Feel there is no justification for putting

this line out of business, except fear of its fine, safe, low-cost service. Hope you will help.

JIMMY JOHNSTON, Sr.,
EDDIE JONES,
LOTHAR KNUATH, Sr.,
LOTHAR KNAUTH.

NORTH KANSAS CITY, Mo., July 9, 1953.
Senator TOM HENNINGS, Jr.,
Senate Office Building:

We have worked for North American Air Lines more than 3 years. But this is more than a job. It is a cause with a principle involved and your voice should be heard on this vital issue.

Capt. R. B. HAL,
Capt. D. BUNCH,
Capt. E. TAVEGA,

KANSAS CITY, Mo., July 9, 1953.
Senator THOMAS HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

It was fine for you to fight the book burning. How about stopping the underhanded destruction of free enterprise in aviation? North American Air Coach is being executed because it is a menace to monopoly. Appreciate knowing what you will do to alert country to stop this.

Capt. D. J. KEELER,
Capt. J. P. NEWKIRK,
Capt. JOSEPH DILLARD,
North American Airlines.

KANSAS CITY, Mo., July 6, 1953.
Senator THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Urgently request you advise what specific steps you will take to prevent CAB from its harassment and destruction of North American Airlines, which employs over 400 people and last year carried 8,700 people in and out of Kansas City. Currently CAB using flimsy technical grounds to bring lengthy and expensive proceedings with view to killing North American. Understand Senator THYE and Senate Small Business Committee have intervened, as has Senator TOBEY, but Board disregards all merits involved and is bent upon strangulation by regulation, which is designed to destroy all independent enterprise and aviation. Despite court intervention, CAB is launching its extermination proceedings July 6.

Feel your voice should be raised on Senate floor to prevent economic murder. This is not only vital to the traveling public of Missouri but to the breadwinning veterans who built this industry. Upon your effectiveness depends question whether air over America belongs to few subsidized monopoly airlines or the American public.

Please advise action which you will undertake.

V. GORDON,
Regional Manager, North American
Airlines.

KANSAS CITY, Mo., July 9, 1953.
Senator THOMAS HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Feel North American Airlines survival absolutely necessary as a last stand to save free enterprise in aviation. It is the largest nonscheduled with perfect safety record; provides air transportation to millions in low income bracket. As originator of air-coach-type service, creating new flying market, which will be left without air transportation or forced to pay double on luxury line of monopoly system.

V. GORDON,
Regional Manager.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued

July 15, 1953

For actions of

July 14, 1953

83rd-1st, No. 130

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Both Houses completed congressional action on wheat-quotas bill. House debated supplemental appropriation bill. Senate committees reported bills to prohibit unfit-wheat blending, authorize exchange of reclamation farm units, and extend excess-profits tax. House subcommittee approved bill permitting public-for-private timberland exchanges. House conferees were appointed on 1st and 2nd independent offices appropriation bills. President approved drought-relief and wheat-quotas bills.

SENATE

- 1. WHEAT.** Both Houses agreed to the conference report on H. R. 5451, to amend the wheat marketing quota law (pp. 3977-8, 9014-5). This bill was then approved by the President. As finally passed, the bill fixed the 1954 national wheat acreage allotment at 62,000,000 acres (House figure, 66,000,000; Senate, 61,000,000); fixed the wheat penalty at 45% of parity; and made no change in the exemption levels of the previous legislation.
The Judiciary Committee reported with amendments S. 2137, to prohibit the blending of wheat imported as unfit for human consumption with wheat suitable for human consumption (S. Rept. 523)(p. 9004).
- 2. RECLAMATION.** The Interior and Insular Affairs Committee reported with amendments S. 387, to permit the exchange and amendment of farm units on Federal irrigation projects (S. Rept. 531)(p. 9004).
- 3. WATER COMPACT.** The Interior and Insular Affairs Committee reported with amendment S. 1197, to grant consent to negotiation by Nebr., Wyo., and S. Dak. of interstate water compacts (S. Rept. 527)(p. 9004).
- 4. RUBBER.** The Banking and Currency Committee reported with amendments S. 2047, to provide for sale of Government-owned rubber-producing plants (S. Rept. 579)(p. 9004).
- 5. TAXATION.** The Finance Committee reported without amendment H. R. 5398, to extend the excess-profits tax until Dec. 31, 1953 (S. Rept. 576)(p. 9004).

- 2-0
6. TRANSPORTATION. The D. C. Committee reported without amendment S. Res. 140, to provide for an investigation of transportation facilities serving D. C. (S. Rept. 577)(pp. 9009-10).
 7. DROUGHT RELIEF. Sen. Schoeppel inserted the report of the Governors attending the seven-State drought conference July 10 (pp. 9011-12).
 8. ST. LAWRENCE WATERWAY. Received a Wis. Legislature memorial favoring this project (p. 9003).
 9. PRICE SUPPORTS; ELECTRIFICATION. Sen. Langer inserted a Farmers' Union local resolution favoring farmer committees, 100% supports, the old parity formula, and the REA programs (pp. 9003-4).
 10. LEGISLATIVE PROGRAM as announced by Sen. Knowland: Today, excess-profits tax and various bills including those on fur loans and transfer of a research station to N. C.; Sat., calendar; next week, appropriation bills (p. 9024).

HOUSE

11. APPROPRIATIONS. Began debate on H. R. 6200, the supplemental appropriation bill, 1954 (pp. 8958-76).
Conferees were appointed on H. R. 4663 and 5690, the first and second independent offices appropriation bills for 1954 (pp. 8949-50). Senate conferees have been appointed.
12. BUILDINGS. At the request of Rep. Dondero, referred back to the Public Works Committee H. R. 5406, authorizing GSA to acquire real property and provide for construction of public buildings for housing of Federal agencies by executing purchasing contracts (p. 8950).
13. EDUCATION. Passed with amendment H. R. 6078, extending for 2 years, to June 30, 1956, the Federal program for providing financial assistance for schools in areas affected by Federal activities (pp. 8978-93).
- LANDS.
14. FORESTRY; A subcommittee of the Interior and Insular Affairs Committee voted to report to the full Committee H. R. 4646, to permit Government acquisition of private lands in exchange for public forest lands of equal value; and H. R. 6186, authorizing the Interior Department to grant a preference right to users of withdrawn public lands for grazing purposes when these are restored from withdrawal (p. 8903).
Conferees were appointed for H. R. 5134, to provide for U. S. jurisdiction over submerged lands of the outer continental shelf (p. 8950).
15. COMMITTEE ASSIGNMENT. Rep. Bowler was elected to the Education and Labor Committee (p. 8950).
16. EXPENDITURES. Rep. Hoffman inserted articles favoring H. R. 2, to limit Federal expenditures to estimated revenues (pp. 8955-6).
17. ST. LAWRENCE WATERWAY. Received a Wis. Legislature memorial favoring this project (p. 9000).
18. SOCIAL SECURITY. Rep. Kean discussed further improvements needed in the social-security program and his bills to accomplish this (pp. 8993-7).

WHEAT MARKETING QUOTAS

JULY 14, 1953.—Ordered to be printed

Mr. HOPE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 5451]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 3 and agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *sixty-two*; and the Senate agree to the same.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
W. R. POAGE,
GEORGE GRANT,
Managers on the Part of the House

GEORGE D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,
ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate made four amendments to the House bill. The committee of conference has agreed to recommend that the House recede from its disagreement to Senate amendments Nos. 1, 2, and 3, and that the House recede from its disagreement to Senate No. 4 and agree to that amendment with an amendment.

1. Amendment No. 1 deals with the basis on which the Secretary is to allot to irrigation projects and other new areas the 1 percent of the national acreage allotment of wheat which is set aside for this purpose. Under the provisions of the House bill, the Secretary would allot this acreage on the basis of the new areas coming into production of wheat during the 10 calendar years "immediately preceding" the calendar year in which the national acreage allotment is proclaimed. The Senate amendment changed the words "immediately preceding" to "ending with". This will have the effect of requiring the Secretary to take into consideration the latest available records of wheat production in distributing this 1-percent reserve.

2. This amendment adds language not in the House bill which will have the effect of repealing the now obsolete provisions of the Agricultural Adjustment Act establishing a penalty of 15 cents per bushel for wheat grown in excess of marketing quotas. This provision has been superseded several times by later and higher penalty provisions but for some reason has not been previously repealed. It is specifically superseded by section 3 of the bill agreed upon by the conferees, which has the effect of establishing the wheat penalty at 45 percent of the parity price.

3. The House bill contained provisions which would have changed the present law relative to exemption of small wheat growers from quotas, by raising the exemption level from 15 acres or 200 bushels to 25 acres or 400 bushels. Senate amendment No. 3 eliminated these provisions from the bill. By agreeing to the Senate amendment, the committee of conference reports a bill which will leave the present exemption levels unchanged at 15 acres, or 200 bushels of wheat.

4. The fourth amendment of the Senate changed from 66 to 61 million acres the statutory minimum national acreage allotment for 1954. The compromise recommended by the committee of conference will establish the minimum national acreage allotment for 1954 at 62 million acres.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
W. R. POAGE,
GEORGE GRANT,

Managers on the Part of the House.

We are all familiar with the expression "lead time" in connection with production and supply. In the field of medical supply it is especially significant and we should not be misled into a false economy at the cost of serious damage to our civil defense program because we have misunderstood these special conditions.

The FCDA's medical supply program has a dual function: First, that of providing for local stockpiling on a matching fund basis under the Federal contributions program to provide for emergency medical care and public health services in the first few post-attack hours; and second, that of establishing Federal backup reserves, financed entirely by the Federal Government to provide for the continuance of such care and services after the first few post-attack hours and through the post-attack emergency period.

Only those quantities and types of supplies needed for about the first four post-attack hours are being stored by our communities. The remainder of the supplies needed to carry a community for the emergency period would be stored by the FCDA in warehouses strategically placed to serve the 67 target areas. To store within each of these areas all of the supplies needed by all nearby target areas for 3 weeks casualty care would be an unwarranted drain on production and money. It is estimated that such a plan for each target area would cost 3 to 5 times as much as the plan proposed by the FCDA.

Two major factors condition the problem that the FCDA program is designed to solve: First, the fact that inventories of normal medical supplies of a community are extremely small when compared to the quantities and types of those needed in a civil defense emergency; and, second, the Department of Defense has advised the Federal Civil Defense Administration that the Armed Forces stockpile of medical supplies and equipment will not be available to civil defense in an emergency without seriously jeopardizing military medical operations, except perhaps on an extremely limited basis.

Most surgical supplies are shipped almost immediately from the production line to the hospital or physician consumer, frequently without any intermediate retail step. Most manufacturers warehouse their products only to the extent necessary to maintain these shipments. Inventories of retail surgical supply dealers, sufficient for only 30 or 60 days of normal peacetime consumption, would in an emergency be exhausted almost immediately. For example, a Department of Commerce study of surgical instruments and equipment revealed that within a 100-mile radius of the District of Columbia there were not enough supplies in the hands of dealers to equip a single 100-bed hospital. Furthermore, retail medical and surgical supply dealers are generally situated in the business sections of cities and are, therefore, highly vulnerable in the event of attack.

Hence, it is very apparent that we must carry forward the proposed program for medical stockpiling against

the enormous casualty load that will be thrown upon the health and special weapons defense services of Civil Defense if we are to have any assurance that we will be able to survive the crushing blow of an all-out attack with the weapons of modern war.

In deepest sincerity, I urge that the FCDA be given the funds it must have to assure us adequate medical care and health protection which would be so desperately needed if the enemy's atomic bombs ever fall on our cities.

I would like to say that those who have visited the tornado-stricken areas know full well what civil defense can do and how extremely necessary it is, and that President Eisenhower has directed the Civil Defense to assist in stricken areas. Anyone who has visited and seen Operation Doorstep knows how vital knowledge of the dangers of bombings, fires and other disasters and what to do to help. I suggest that all Members of Congress visit the exhibitions given by Civil Defense at the college in Maryland.

WHEAT MARKETING QUOTA PROVISIONS

Mr. HOPE submitted the following conference report and statement on the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes:

CONFERENCE REPORT (H. REPT. 786)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 3 and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "sixty-two"; and the Senate agree to the same.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
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Managers on the Part of the House.

GEO. D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,
ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

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has agreed to recommend that the House recede from its disagreement to Senate amendments numbered 1, 2, and 3, and that the House recede from its disagreement to Senate No. 4 and agree to that amendment with an amendment.

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4. The fourth amendment of the Senate changed from 66 to 61 million acres the statutory minimum national acreage allotment for 1954. The compromise recommended by the committee of conference will establish the minimum national acreage allotment for 1954 at 62,000,000 acres.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
W. R. POAGE,
GEORGE GRANT,

Managers on the Part of the House.

Mr. HOPE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 5451) to amend the wheat marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

Mr. HOPE. Mr. Speaker, the statement of the conferees pretty well points out the differences in the two bills and, unless there are some questions—

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. ROGERS of Colorado. I direct the gentleman's attention to the first statement contained herein—that the allotment of wheat is set aside for this purpose, dealing with the irrigation projects, and so forth—does that apply only to those projects that are financed by Government reclamation projects or does that apply to general irrigation.

Mr. HOPE. It applies to acreage which has been brought into production within recent years, mostly through irrigation but not limited to that. But as it applies to irrigation it is not limited to irrigated land brought in under the Reclamation Service.

Mr. ROGERS of Colorado. And it must be of recent origin. As you and I know, in the West there have been many irrigation projects that have existed for a number of years and in many instances they use irrigation for the purpose of growing wheat. Would it apply only to the recent ones or generally to all crops that have been grown as a result of irrigation?

Mr. HOPE. Its effect would be to apply, principally at least, and I think almost altogether, to the recent projects because in the case of irrigated areas which have been in existence for a number of years, if the producers had desired to grow wheat, they would have built up a wheat history by this time. It is designed to apply particularly to those areas which are now coming into cultivation which have not had a chance previously to build up a wheat history.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. RAYBURN. Under the conference report there is allowed a total of 62 million acres of wheat; is that correct?

Mr. HOPE. That is correct.

Mr. RAYBURN. Along the line of the questions of the gentleman from Colorado [Mr. ROGERS], I am interested to know how many years they are going to take for the average on the individual farm. Has that been determined yet?

Mr. HOPE. Under the law the national acreage allotment will be apportioned to the States on the basis of the 10-year average of seeded acreage, and the allotment to the States will in turn be allotted to the counties on the basis of a 10-year average of seeded acres. The allotments to the farms will be made on a formula which is set out in the law and which includes a number of factors.

Mr. RAYBURN. How many years are you going to allow for the individual farm—10 years?

Mr. HOPE. No. On the farm it is subject to a number of factors including the number of tillable acres, crop rotation practices, type of soil and the acreage grown on the farm in past years. I think there are 1 or 2 other factors which I do not recall at the moment.

Mr. RAYBURN. What would be the situation on a farm that had been raising wheat for only 2 years?

Mr. HOPE. It would be up to the county committee to apply the formula and to determine the weight to give each of the factors which I have mentioned. While previous production is given weight, the committee is not confined by any means to the previous history of production; the allotment depends also upon the number of tillable acres on the farm and upon the crop rotation practices on the farm as well as type of soil and topography.

Mr. RAYBURN. Tillable acreage on the farm?

Mr. HOPE. That is one of the factors, but it is up to the county committee to give the proper weight. That is a factor in determining what the acreage would be to the individual farm.

Mr. RAYBURN. I thank the gentleman.

Mr. HOPE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

OPERATING EXPENSES OF SCHOOL DISTRICTS AFFECTED BY FEDERAL ACTIVITIES

Mr. McCONNELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6078) to amend Public Law 874 of the 81st Congress so as to make improvements in its provisions and extend its duration for a 2-year period, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6078, with Mr. SCRIVNER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, general debate is to be confined to the bill and to continue not to exceed 1 hour, to be equally divided and controlled by the gentleman from Pennsylvania [Mr. McCONNELL] and the gentleman from North Carolina [Mr. BARDEN].

The Chair recognizes the gentleman from Pennsylvania [Mr. McCONNELL].

Mr. McCONNELL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill H. R. 6078 is in effect somewhat in the nature of a companion bill to H. R. 6049, which was passed last week. The bill which was passed last week, H. R. 6049, provided Federal payments to assist in the construction of minimum school facilities in districts affected by Federal impact.

H. R. 6078 amends and extends Public Law 874, a law which provides for maintenance and operation assistance to school districts affected by Federal activities of the Government, principally due to the defense program of the country.

The appropriation for Public Law 874 for this fiscal year ending June 30, 1954 will be approximately \$60,500,000. If this bill, H. R. 6078, were in effect it would reduce that amount to about \$50 million. Although the amounts needed for the succeeding 2 years cannot be estimated accurately it is estimated that the bill would effect corresponding reductions.

The new bill continues the section of Public Law 874 which provides for payments to a school district on property acquired by the Federal Government since 1938, which was not acquired in exchange for other Federal property; which had an assessed value of not less than 10 percent or more of the assessed value of all real property at the time of acquisition, which has placed a substantial and continuing financial burden on the school district; and from which no continuing substantial compensation is being received.

Maximum payments to a local educational agency are computed by formulas. The number of children under certain categories is determined as follows:

(a) Children in average daily attendance during preceding fiscal year who resided on Federal property with parent employed on Federal property, situated in whole or in part in State, or within reasonable commuting distance from school district; or had a parent who was on active duty in uniformed services, as defined in section 102 of Career Compensation Act of 1949.

(b) Children in average daily attendance during preceding fiscal year who either resided on Federal property, or resided with a parent employed on Federal property situated in whole or in part in State, or within reasonable commuting distance from school district. Maximum payment is the local contribution rate multiplied by the sum of number children category (a) and one-half the number of category (b) minus 2 percent of difference between such sum and total number of children in average daily attendance during preceding fiscal year.

No payment under this section unless sum of number children category (a) and one-half number children category (b) is 10 or more.

For exceptional circumstances, Commissioner may waive or reduce the 2-percent deduction and the requirement of 10 or more children.

Where the children in average daily attendance at schools of a local educational agency during the fiscal year ending June 30, 1939, exceeded 35,000, there shall be a 3-percent deduction in lieu of 2 percent, and the Commissioner may not waive or reduce the 3-percent deduction.

The local contribution rate is obtained in the following manner:

First. The Commissioner shall determine which school districts within the State are generally comparable to school district for which computation is being made.

Second. He shall then divide (A) the aggregate current expenditures—during second fiscal year preceding the fiscal year for which computation is being

quite likely that all we have invested will be lost.

With the Kremlin facing difficulties with its satellites and suffering internal dissension, now is the time to hold fast to the united effort of the free nations.

If we were to curtail our program for unification, we could easily turn the balance and could give the Soviet a new advantage. The effect of such failure on our part could very easily be so drastic as to undermine the safety and security of the United States at this time.

I strongly believe that in this great undertaking in mutual security, the time is ripe to harvest results that will be a lasting gain not only for the nations we are assisting in this endeavor, but chiefly for ourselves and for the future of our country.

Mr. President, an excellent editorial on this subject appeared in the Washington Star of Sunday, July 12. I ask unanimous consent that the editorial be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. DULLES' WARNING

In his appearance before the Senate Appropriations Committee, Secretary of State Dulles has given voice to a solemn and altogether persuasive warning against any further cuts in President Eisenhower's request for funds to finance this year's program of foreign military and economic aid under the Mutual Security Agency. It is a warning that can be ignored only at the risk of playing fast and loose with the safety of the Nation, and Congress as a whole will do well to ponder it most carefully.

The President has requested a bit more than \$5.2 billion for the MSA's operations—a slash of \$2.4 billion in the sum recommended for the same purpose by the Truman administration last January. In conference, both Houses of Congress have agreed on compromise legislation to authorize a total outlay of \$5.1 billion, and now several members of the Senate Appropriations Committee have indicated that they are eager to cut much more deeply into the funds actually to be made available. Some of them have defended this position with wholly demagogic arguments casting unjustified aspersions on our allies. Others—with better sense, but shortsightedly—have taken the position that additional economies are necessary because the free world's future depends largely on the solvency of the United States and because that solvency is threatened by our record peacetime deficit and ever-mounting national debt.

Meeting both of these arguments head-on, and stressing how our topmost military authorities emphatically view the MSA's outlays as "the cheapest way to provide for our own security," Mr. Dulles has had this to say to the Senators: "You can cut this program substantially if you want to, and I'll tell you just what will happen. The entire mutual-security program will collapse. All free countries will say they had better try to go it alone. But some countries will find they won't be able to go it alone and will fall prey to Soviet communism. Then in 2 or 3 years we will be back here with a program that will make this one look like peanuts. Meanwhile, the balance of power will have shifted tremendously in favor of the Soviets through the acquisition of additional industrial capacity and the vital resources of petroleum, iron, tin—and war will have been made just that much closer and more prob-

able." Perhaps this exaggerates a bit, but there can be no doubt that such a possibility is as real and as threatening as the Kremlin.

True enough, as made clear by what has happened to Lavrenti Beria, there is trouble in the Soviet Union right now, and conceivably the system of Red totalitarianism may be headed for a gigantic crackup. However, since conceivabilities are far from being probabilities, nothing could be more foolishly or dangerously wishful at this stage than to hope for the best without at the same time preparing for the worst. As far as mutual security is concerned, Congress—in keeping with the Dulles warning—should govern itself accordingly.

AID TO SMALL BUSINESS—TELEGRAM FROM GEORGE J. BURGER

Mr. LEHMAN. Mr. President, I ask unanimous consent that I may proceed for not to exceed 2½ minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and the Senator from New York may proceed.

Mr. LEHMAN. Mr. President, today I have received the following telegram from Mr. George J. Burger, vice president of the National Federation of Independent Business:

JULY 14, 1953.

HON. HERBERT LEHMAN,
Senate Office Building:

Carrying out the direct expressed vote of our nationwide membership they favor the adoption of the so-called Hill-Thye bill, commonly known as the Small Business Administration Act. Our testimony before your Committee Banking and Currency May 27 was all inclusive in support of the bill with the following recommendation. The proposed new agency to be entirely independent with all policy power vested entirely within the new administration, only under control of the Congress. We definitely opposed the inclusion of the Secretaries of Treasury and Commerce on the policy-making board. Similar position was taken by this association in our appearance before House Banking and Currency May 15. The bill should be a satisfactory bill and a great help to small business if the new administration is set up as outlined above. Would you be kind enough to read this message into the record

GEORGE J. BURGER,
Vice President, National Federation
of Independent Business.

Mr. President, I am very glad indeed to have had the opportunity to read this message into the RECORD, inasmuch as it clearly states my own views and convictions, as well as those of many of my colleagues, regarding this very important legislative proposal. Unless we enact this measure or a similar measure, we shall have turned our backs on small business.

LIMITATION OF POWER TO GRANT STAY OF EXECUTION OR SENTENCE

Mr. McCARRAN. Mr. President, on yesterday I introduced, for appropriate reference, a bill (S. 2373) to limit in certain cases the power of a single justice or judge of the United States to grant a stay of execution or sentence in connection with a habeas corpus proceeding or other proceeding collaterally attacking the conviction of any person.

The present provisions of the judicial code allow any Federal judge—a district judge, a circuit judge, or a justice of the Supreme Court—to stay an execution or a sentence within his territorial jurisdiction. These stays are used to halt not merely the execution of Federal sentences, but the execution of State death penalties. During the past year, the Chief Judge of the Ninth Circuit has stayed at least one California sentence and one Nevada sentence, after the cases had gone all through the State and Federal courts on direct attack.

Senators are, of course, familiar also with the recent instance in which a single justice of the Supreme Court stayed the sentence of two convicted criminals; and the Supreme Court, after being called back in extraordinary session, dissolved the stay.

The bill which I have just introduced would limit the power of a single Federal judge to stay a sentence, so that he could do so only during the time when the conviction is being challenged by direct appeal to the State or lower Federal courts, or by petition for certiorari to the Supreme Court. Under this bill, when the affirmance on appeal has become final, if the petitioner thereafter seeks to bring habeas corpus or other form of collateral attack in the State or Federal courts, a stay could be granted only by the following Federal judges:

First, by the district judge who imposed the sentence, if the convict was sentenced in a Federal court.

Second, by a majority of the acting judges of the appropriate court of appeals.

Third, by a majority of the full bench of the United States Supreme Court.

In drafting this bill, Mr. President, I recognize the possibility that an occasion might arise when a judge or justice would see fit to grant a writ of habeas corpus on a date so close to the date fixed for the execution of the convicted person in whose behalf the writ was granted, that it would appear that a stay of execution might be necessary in order to effectuate the writ of habeas corpus. I have no desire to interfere in any way with the exercise of the writ of habeas corpus in the United States, Mr. President. Therefore, the bill contains a specific provision that nothing within it shall limit the power of any justice of the United States, or any circuit or district judge to stay the execution of a sentence of death in connection with any habeas corpus proceeding if it appears that such sentence will be carried out before such proceeding can be disposed of, and that such stay is essential to a proper disposition of the proceedings under the writ.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the bill (S. 2373) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the analysis of chapter 153 of title 28, United States Code,

is amended by inserting immediately after item 2255 the following new item:

"2256. Stay of execution or sentence."

SEC. 2. Title 28, United States Code, is further amended by inserting immediately following section 2255 of such title a new section as follows:

"§2256. Stay or execution or sentence

"(a) A stay of execution or sentence in connection with any habeas corpus proceeding or other proceeding collaterally attacking any conviction of a person which has been affirmed by the highest court of any State shall be granted only by (1) the concurrent action of a majority of the circuit judges of a circuit who are in active service, or (2) the concurrent action of a majority of the justices of the United States who are in active service.

"(b) A stay of execution or sentence in connection with any habeas corpus proceeding or other proceeding collaterally attacking any conviction of a person obtained in a district court and affirmed by the Supreme Court, or with respect to which the Supreme Court has denied certiorari, shall be granted only by (1) the judge who presided at the trial in which the conviction was obtained, or (2) the concurrent action of a majority of the circuit judges of a circuit who are in active service, or (3) the concurrent action of a majority of the justices of the United States who are in active service.

"(c) Nothing contained in this section shall limit the power of any justice of the United States, or any circuit or district judge, to stay the execution of a sentence of death in connection with any habeas corpus proceeding if it appears that such sentence will be carried out before such proceeding can be disposed of, and that such stay is essential to a proper disposition of such proceedings."

GREAT LAKES CONNECTING CHANNELS

Mr. WILEY. Mr. President, it is my hope that the conferees on the Army civil functions bill will retain a vital provision for an engineering survey on the deepening of the Great Lakes connecting channels.

Coming, as I do, from an upper Lakes State, I am naturally deeply concerned about deep water access to Wisconsin, Michigan, Illinois, and Minnesota.

It is very clear that, irrespective of whether the United States takes the sound course of joining with Canada in the Great Lakes seaway, it will be absolutely imperative that the present channels be deepened.

To maintain the channels at their present depths would be equivalent to having a two-lane highway as the only means of entering and leaving Milwaukee or Chicago or Los Angeles, in this modern age of transportation.

The modest survey funds of \$100,000 will repay themselves manifold in terms of the expanded national income which will result from increased shipping.

It is, in my judgment, false economy to impair what will obviously be vital revenue-raising sources. The taxes which will be paid to Uncle Sam on the basis of increased Great Lakes shipping will more than compensate for the cost of the surveys and the cost of the ultimate channel deepening.

For a long time, we of the Midwest have watched hundreds of millions of

dollars being poured into the deepening of various ports and waterways in every section of the Nation but our own. For waterways which do not carry the tiniest fraction of the traffic of the Great Lakes, we have watched the expenditure of funds many times the appropriations which would be involved in upper Lake channel deepening.

As everyone knows, we omitted provision for the connecting channels from the Great Lakes-St. Lawrence seaway bill. We did so because we felt that each issue should be taken up on its great merits—promptly, favorably, and without delaying action on either front.

I send to the desk the text of an editorial from last Saturday's issue of the Milwaukee Journal. Appended to it are excerpts from a letter sent by the distinguished port director of Milwaukee, Mr. Harry Brockel, to Representative GLENN DAVIS, a member of the House conference committee which will be working on the final report.

Elsewhere in his letter Mr. Brockel dealt with numerous technical phases of the channel-deepening survey.

I ask unanimous consent that the text of these two items be printed in the RECORD.

There being no objection, the editorial and excerpts from the letter were ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal]

DEEPER LAKE CHANNELS NEEDED

When the Eisenhower administration endorsed the Great Lakes-St. Lawrence seaway from Lake Erie to Montreal, it was understood that the problem of deeper channels in the lakes above Erie would be handled by ordinary rivers and harbors legislation.

Obviously, to give lake ports on Huron, Superior, and Michigan full benefits, the seaway would have to be supplemented by deepening of channels that connect those lakes. Now the downbound and two-way channels between the lakes have a low-water depth of 25 feet. To start with, the seaway, under present plans, would have a depth of 27 feet. The upper lake channels should be brought to at least future seaway depth.

The seaway is going to be built. Canada promises that, even if we don't join her in the project. But even with no seaway, deeper lake channels are essential. Iron-ore carriers put into service since the end of World War II can carry up to 100 tons more of ore for each additional inch of immersion.

Admiral Spencer, president of the Lake Carriers' Association, told the Senate Appropriations Committee in May that lake shipping is able to carry 4 million tons more of cargo this year because of unusually high water than it could if water levels were at the low point in the water level cycle.

According to Harry C. Brockel, Milwaukee port director, most of the 42 vessels added to the lakes ore fleet since 1945 have drafts of 24 feet or more. As they require an additional 2 or 3 feet for underwater clearance, or "squat," the 25-foot low cycle water level which limits the channels is not sufficient if they are to carry full loads. Therefore, we need deeper channels for Great Lakes traffic even before the seaway is built.

In order to compile present data on lakes channels and bring information up to date—things necessary for any consideration by Congress of lakes channel projects—the Senate has included \$100,000 in next year's budget. The House, on the recommendation of its Appropriations Committee, failed to vote \$125,000 for the same job. The measure now goes to a Senate-House conference, where it is to be decided whether the

House rejection of funds or the Senate's \$100,000 is to stand for the 1954 budget.

JULY 3, 1953.

Hon. GLENN R. DAVIS,
House of Representatives.

Washington, D. C.

DEAR CONGRESSMAN DAVIS: * * *

The present 25-foot project is no longer adequate. It is indicated that a project depth of the order of 27 feet is now necessary to serve present and prospective interlake traffic alone.

Tonnage on the Great Lakes approximates our total foreign waterborne commerce. On a ton mileage basis, it exceeds that on our inland waterways by 3.3 times, and that by our motor trucks by 1.6 times. Iron ore, limestone, coal, petroleum, and grain are the chief commodities moved on the lakes. Deeper channels are necessary to permit handling of larger ships now operating and in the blueprint stage, to reduce unit shipping costs, and thereby arrest spiralling costs for steel production and money other items. These larger ships are designed to handle some 24,000 tons of ore, equivalent to a freight train of 480 cars, with each car loaded to 50 tons.

Deepening of the connecting channels, accordingly, is an immediate, pressing problem. The normal investigative report is, however, necessary as a basis for congressional project authorization. Such a survey dovetails into the position of the Eisenhower administration, namely, that deepening of the connecting channels, Duluth to Lake Erie, should be treated separately upon its merits, without any tie-in with the St. Lawrence seaway 27-foot channel, Lake Erie to Montreal. Retention of the item of \$100,000, specially earmarked for the connection channels navigation study, is an absolute necessity.

We therefore reiterate our request that conferees for the House join the Senate in supporting a budget appropriation for this highly important purpose.

Respectfully,

H. C. BROCKEL,
Chairman.

AMENDMENT OF WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938—CONFERENCE REPORT

Mr. AIKEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and I ask unanimous consent for its present consideration. I do so at this time only because the House still has to act on the conference report, and it must be processed and signed today by the President.

The PRESIDING OFFICER (Mr. BUSH in the chair). The report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate

numbered 1, 2 and 3 and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "sixty-two"; and the Senate agree to the same.

GEORGE D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,
ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,

Managers on the Part of the Senate.

CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,
W. R. POAGE,
GEORGE GRANT,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. AIKEN. Mr. President, the report is identical with the bill as passed by the Senate, except that instead of providing for a 61-million-acre limitation on allotments, as provided in the bill as passed by the Senate, or an allotment of 66 million acres, as provided in the bill as passed by the House of Representatives, the conferees agreed upon 62 million acres as the minimum allotment for the program for 1954.

Mr. LANGER. Is that the maximum or the minimum allotment?

Mr. AIKEN. Sixty-two million acres is the minimum allotment.

Mr. HOLLAND. Mr. President, on behalf of the conferees from this side of the aisle, I should like to say that we were completely in accord regarding the conference report, and both the conferees from this side of the aisle were happy to sign it.

The PRESIDING OFFICER. The question is on agreeing to the report. The report was agreed to.

WATERFRONT COMMISSION COMPACT BETWEEN THE STATES OF NEW JERSEY AND NEW YORK

Mr. HENDRICKSON. Mr. President, I should like to introduce an important piece of legislation, and to address myself briefly to the subject matter thereof.

The PRESIDING OFFICER. Without objection, the Senator from New Jersey may proceed.

Mr. HENDRICKSON. Mr. President, I rise at this time to introduce a bill granting the consent of Congress to a compact or agreement between the State of New Jersey and the State of New York, known as the Waterfront Commission Compact.

Acting as cosponsors of this worthy legislation are the senior and junior Senators from New York, the senior and junior Senators from New Jersey, and the junior Senator from New Hampshire.

The compact between those two great States represents the culmination of the efforts of men of goodwill to obliterate the long years of powder-keg conditions in an area of great human, social, and economic suffering—the waterfront of the port of New York.

The compact requires the urgent consideration of the Senate and the House of Representatives, Mr. President, because if it is not ratified at this session, the two States would have to establish separate interim administrations to supervise the regulations embodied in the compact.

This would be a costly and delaying procedure.

It would weaken the power of the fist which would otherwise be brought down hard to smash the conditions breeding evil and crime throughout the port of New York's tortured history.

Mr. President, a delay would bring about unnecessary duplication by two separate State commissions, unless the Congress takes the necessary action to approve the compact.

I might say, parenthetically, that only recently the Senate approved a bill sponsored by the Senator from Ohio [Mr. TAFT], the Senator from Michigan [Mr. FERGUSON] and the junior Senator from New Jersey, to establish a Commission on Federal-State Relationships.

The Commission will attempt, in part, to eliminate those overlapping functions which have served to plague the orderly processes and relationships of our State, local and Federal levels of Government.

Surely, Mr. President, we would not permit congressional inaction to contribute to further duplication of effort at the State level as it concerns New York and my own State of New Jersey.

The bi-State commission plan is aimed at cleaning up the corruption which has strained the economy not only of the port area itself, but also drained the pocketbooks of consumers and taxpayers the country over.

The issue before the Senate is a relatively simple one, Mr. President.

Shall we not add our blessings to the wedding plans which have been worked out by two of our great States?

New York and New Jersey are not coming to the Congress for help.

Heaven knows that the findings of the various State crime commissions and the Senate subcommittee headed by Senator Tobey directed our sharpest attention to the need for help from some source.

But these two States need no outside help; just the cooperation and understanding necessary to place a congressional stamp of approval upon the administration of the commission from both banks of the port of New York.

New York and New Jersey can do the job themselves, but the Constitution requires that we of the Congress must agree that they shall have that opportunity.

Mr. President, please permit me to read from article 1 of the compact as approved by the two State legislatures and signed by Governors Dewey and Driscoll, under whose inspired leadership this compact was born and, I am convinced, will flower into an effective enforcement agency.

Article 1 sets forth the findings which shook and rocked the American people on the occasion of their recent public disclosures.

In this, the junior Senator from New Hampshire had a leading hand.

Article 1, in part, says:

The States of New Jersey and New York hereby find and declare that the conditions under which waterfront labor is employed within the port of New York district are depressing and degrading to such labor, resulting from the lack of any systematic method of hiring, the lack of adequate information as to the availability of employment, corrupt hiring practices and the fact that persons conducting such hiring are frequently criminals and persons notoriously lacking in moral character and integrity.

Mr. President, these compacts were passed by the legislatures of both States, by an overwhelming vote.

Mr. President, this reference in article 1 of the compact reflects the legislative findings which concluded that the methods for hiring waterfront labor and the conduct of the business of public loading and stevedoring are uneconomic, unjust, and degrading to the workingman.

This condition fosters waterfront crime and corruption, and adversely affects the economical and expeditious handling of port commerce.

The compact therefore declares that the current practices of public loaders must be eliminated and that the occupations of stevedores, pier superintendents, hiring agents, pier watchmen, and longshoremen must be regulated in the public interest.

In summarizing the compact, Mr. President, there are five basic features in the plan looking toward the improvement of waterfront labor conditions.

First, it would license pier superintendents and hiring agents—only persons of good character will be licensed for these key positions.

The license must be requested by the employer concerned; is good only for the duration of the employment and may be revoked for specified cause.

Secondly, stevedores and port watchmen would be licensed.

Third, the practice of public loading would be abolished.

This, in brief, is the obnoxious racket, unique on the New York waterfront and infested by racketeers, by which loading and unloading truck-to-pier cargo requires the exacting of fees.

Fourth, the compact requires the registration of longshoremen.

The right to register is absolute unless the person has been convicted of a crime, although this disqualification may be waived by the Commission.

Registration may also be forbidden if the longshoreman is engaged in subversive activity or unless his employment on the waterfront is clearly likely to endanger the public safety.

Fifth, the compact provides for the operation by the Commission of regionally located employment exchanges for registered longshoremen and licensed port watchmen.

This provides for the replacement of the wasteful and unworthy "shapeup" method.

The employment exchanges would provide information as to available employment and flexibility in obtaining such employment, but without interference with employer-employee freedom of selection or with provisions of collective bargaining agreements.

Mr. President, I emphasize that the rights of licensees and registrants are carefully protected by procedural safeguards set forth in article 11, including hearings, court review, and other requirements for the protection of the individual.

Mr. President, let me repeat what Governor Driscoll of my own State said in proposing this legislation to the New Jersey Legislature in a recent special message.

The Governor said:

It is now proposed to create an interstate commission to free the port district from the domination of gangsterism and to protect and promote the great economic assets of our country.

In effect, Mr. President, we in the Senate are now being asked to agree with the Governor that the States of New Jersey and New York be permitted to work out their own problems so that the hoodlums may be driven from the greatest harbor facility the world has ever known.

Mr. KEFAUVER. Mr. President, will the Senator from New Jersey yield?

Mr. HENDRICKSON. I gladly yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I have listened with great interest to the statement of the waterfront conditions which the Senator has described, and I think the governors and the legislatures of the two States involved are to be commended for trying to do something about this problem.

I desire to say that the major credit for bringing the Nation's attention to the bad situation which has prevailed over a period of many, many years should go to the distinguished Senator from New Hampshire [Mr. TOBEY]. He has made a very thorough investigation and, as the Senator from New Jersey has so well pointed out, it is the result of his investigation and other investigations which have been carried on which have provided a basis for the action which is now proposed to be taken. The Senator from New Hampshire, in the face of many obstacles, has gotten at the bottom of the nefarious conditions which exist. I know we are all glad that the States themselves are taking measures to clean up the situation.

Mr. HENDRICKSON. I thank the distinguished Senator from Tennessee for his remarks. I associate myself with everything he has said. I and every other good citizen of New Jersey will ever owe a debt of gratitude to the distinguished Senator from New Hampshire for the good fight he has made in cleaning up hoodlumism in many areas of the country.

Both the Senator from New Hampshire and the Senator from Tennessee can feel, when this compact has been ratified, as I am sure it will be very soon, that they have made a valuable contribution to a movement which will ultimately rid the wonderful port of New York of some of the tragic things which have been occurring there in recent years.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I am glad to yield to the Senator from New Hampshire.

Mr. TOBEY. I merely wish to say that if the bill is referred to my committee, I promise speedy action.

In regard to the Senator from Tennessee, what he has said is really only reflected glory for me. He was the leader in the great movement. He deserves a large part of the credit. I followed in his train.

Did the Senator from Tennessee hear me? I hope he did not miss it. It was good. [Laughter.]

Mr. HENDRICKSON. I thank the Senator from New Hampshire, and I say again that we of New Jersey will ever be grateful to him for the contribution he has made to this cause upon which we now join forces.

Mr. President, in order to take advantage of this magnificent opportunity for action, the Senate must act with dispatch.

A delay would, of course, mean that the grand plan is in distress before its good roots can take hold.

We should not by dilatory tactics force the establishment of inferior, uncoordinated administrative agencies in the separate States involved.

Mr. President, if we are to be against the sin of the waterfront, let us be firmly set against it by approving this compact of self-help forthrightly and promptly.

Let us not be for this sin of the waterfront in the lateness of the hour of this session, and be against its sin at some hour next year when the Congress convenes once more.

Let the appropriate committee examine its well-conceived provisions immediately—

Mr. TOBEY. I shall be glad to call a meeting of the Interstate Commerce Committee tomorrow morning.

Mr. HENDRICKSON. Mr. President, I hope and pray, with the enthusiasm which we hear expressed by the Senator from New Hampshire, that his distinguished committee will have the bill before it tomorrow morning. Then let this proposed legislation return to the Senate floor for final action well before adjournment date.

Mr. President, there are selfish interests who apparently are for the continuance of this sin.

The New York district council of the International Longshoremen's Association is reported to have voted to assess the union's members in the Port of New York \$5 a man for a fund to contest the waterfront reform laws enacted by the State legislatures.

We know, therefore, of the forces which would delay the final enactment of the compact.

The Senate of the United States must rise to meet any challenge serving to prevent a concerted attack against this criminal evil, second to none in exacting tribute from the people of the United States.

Mr. President, I now introduce the bill for appropriate reference, and ask that it be printed in the RECORD.

There being no objection, the bill (S. 2383) granting the consent of Congress to a compact between the State of New Jersey and the State of New York known as the Waterfront Commission Compact, and for other purposes, introduced by Mr. HENDRICKSON (for himself, Mr. SMITH of New Jersey, Mr. IVES, Mr. LEHMAN, and Mr. TOBEY), was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to the compact set forth below to all of its terms and provisions, and to the carrying out and effectuation of said compact, and enactments in furtherance thereof:

"THE WATERFRONT COMMISSION COMPACT BETWEEN THE STATES OF NEW YORK AND NEW JERSEY AS AUTHORIZED BY CHAPTER 882 AS AMENDED BY CHAPTER 883 OF THE LAWS OF THE STATE OF NEW YORK OF 1953, AND BY CHAPTER 202 AS AMENDED BY CHAPTER 203 OF THE LAWS OF THE STATE OF NEW JERSEY OF 1953

"ARTICLE I

"Findings and declarations

"1. The States of New Jersey and New York hereby find and declare that the conditions under which waterfront labor is employed within the port of New York district are depressing and degrading to such labor, resulting from the lack of any systematic method of hiring, the lack of adequate information as to the availability of employment, corrupt hiring practices and the fact that persons conducting such hiring are frequently criminals and persons notoriously lacking in moral character and integrity and neither responsive or responsible to the employers nor to the uncoerced will of the majority of the members of the labor organizations of the employees; that as a result waterfront laborers suffer from irregularity of employment, fear and insecurity, inadequate earnings, an unduly high accident rate, subjection to borrowing at usurious rates of interest, exploitation and extortion as the price of securing employment, and a loss of respect for the law; that not only does there result a destruction of the dignity of an important segment of American labor, but a direct encouragement of crime which imposes a levy of greatly increased costs on food, fuel, and other necessities handled in and through the port of New York district.

"2. The States of New Jersey and New York hereby find and declare that many of the evils above described result not only from the causes above described but from the practices of public loaders at piers and other waterfront terminals; that such public loaders serve no valid economic purpose and operate as parasites, exacting a high and unwarranted toll on the flow of commerce in and through the port of New York district, and have used force and engaged in discriminatory and coercive practices, including extortion against persons not desiring to employ them; and that the function of loading and unloading trucks and other land vehicles at piers and other waterfront terminals can and should be performed, as in every other major American port, without the evils and abuses of the public loader system, and by the carriers of freight by water, stevedores, and operators of such piers and other waterfront terminals or the operators of such trucks or other land vehicles.

"3. The States of New Jersey and New York hereby find and declare that many of the evils above described result not only from the causes above described but from the lack of regulation of the occupation of stevedores; that such stevedores have engaged in corrupt practices to induce their hire by carriers of

Public Law 117 - 83d Congress
Chapter 194 - 1st Session
H. R. 5451

AN ACT

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) By inserting in subsection (a) after the words "The national acreage allotment for wheat" the language ", less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection,".

Wheat.
Marketing
quotas.
52 Stat. 53;
56 Stat. 52.
7 USC 1334.
Reserve
acreage.
National.

(b) By adding at the end of subsection (a) a new sentence to read as follows: "The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the ten calendar years ending with the calendar year in which the national acreage allotment is proclaimed.

(c) By inserting in subsection (b) after the words "The State acreage allotment for wheat" the language ", less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section,".

State.

(d) By inserting in the first sentence of subsection (c) after the words "on the basis of" the language "past acreage of wheat,".

(e) By striking out in the second sentence of subsection (c) the words "such county" and inserting in lieu thereof the words "the State".

(f) By striking out in subsection (d) the figure "1940" and inserting in lieu thereof the figure "1950":

SEC. 2. Section 339 of the Agricultural Adjustment Act of 1938, as amended (53 Stat. 55), is repealed.

52 Stat. 55.
7 USC 1339.

SEC. 3. Public Law 74, Seventy-seventh Congress (55 Stat. 203), as amended, is amended by striking out in the second sentence of paragraph (2) the language "shall be 50 per centum of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the Act and this resolution." and inserting in lieu thereof the language "on wheat shall be 45 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.".

7 USC 1330,
1340.
Marketing
penalty.
7 USC 1302.
67 Stat. 151.
67 Stat. 152.

SEC. 4. Notwithstanding any other provision of law (a) the national acreage allotment for the 1954 crop of wheat shall not be less than sixty-two million acres; and (b) the referendum with respect to the 1954 crop of wheat may be held as late as August 15, 1953.

1954 allotment.
Referendum.

SEC. 5. Sections 1, 2, and 3 of this Act shall become effective with respect to the 1954 and subsequent crops of wheat.

All 67 Stat. 152.

7 USC 1301.

SEC. 6. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection "(d)" to read as follows:

Carryovers.

63 Stat. 1051.

7 USC 1421

note.

"(d) In making any determination under this Act or under the Agricultural Act of 1949 with respect to the carryover of any agricultural commodity, the Secretary shall exclude from such determination the stocks of any commodity acquired pursuant to, or under the authority of, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596)."

50 USC 98 note.

Approved July 14 1953.